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THE WHITE HOUSE
WASHINGTON

January 28, 1964

MEMORANDUM FOR

BROMLEY SMITH

The following information received from Mr.
Day, FBI:

A source that has given us reliable information
tells us that Panama is going to reject the
latest formula proposed by the Inter-America
Peace Commission and will let this be known
at 3:00 P.M. today. Panama will ask for a
meeting of the consultative organ of the OAS
Council.

Art McCafferty

cc Dungan

INDICATE: ☐ COLLECT
☐ CHARGE TO

1 6 0 5 5

Parameter

IO
Info:

SS

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SP

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ARA

CAP

P

USIA

INR

INFO: ~~Ambassador~~ ^{Consul} PANAMA CITY 388
Re Panama

Jan 31 4 24 PM '64

In

Do not respond to anyone who asks you to reply

to SC President Castrillo's message of January 10, ~~XXXXX~~
communicate
request you/~~XXXXXXXXXX~~ following message from Secretary Rusk
to SC President with request it be circulated.

BEGIN VERBATIM TEXT.

Dear Mr. President:

I have the honor to refer to your communication of
January 11, 1964.

As Ambassador Stevenson stated in the Security Council on January 10, my Government welcomes your appeal for restraint by the parties concerned. My Government has complied with that appeal in letter and spirit. From the beginning of the recent tragic events in Panama, our efforts have been directed towards a cessation of violence and a restoration of order.

As Your Excellency is aware, the Inter-American Peace
Committee

Drafted by: IO UNP : GB Helman/ARA : RPA : CN Monsma Telegraphic transmission and
Classification approved by: JL
Clearances: 1/21/64

The Secretary

IO - Mr. Sisco

ARA - Mr. Mann (in draft)

10- Mr. Cleveland S/Sr. Mr. McKesson

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Committee of the Organization of American States, at the request of the United States and Panama, undertook immediate efforts with regard to the matter and has been successful, with the cooperation of the parties, in helping to stop violence and preserve peace.

I assure you, Mr. President, that the United States continues to seek a peaceful solution to present difficulties. We reiterate that we are ready and willing to discuss all problems affecting the relations of the United States and Panama.

END VERBATIM TEXT.

END

RUSK

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JANUARY 23, 1964

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

STATEMENT OF THE PRESIDENT ON PANAMA AND RELATED
SUBJECTS
THE FISH ROOM

I want to take this opportunity to restate our position on Panama and the Canal Zone. No purpose is served by rehashing either recent or ancient events. There have been excesses and errors on the part of both Americans and Panamanians. Earlier this month actions of imprudent students from both countries played into the hands of agitators seeking to divide us. What followed was a needless and tragic loss of life on both sides.

Our own forces were confronted with sniper fire and mob attack. Their role was one of resisting aggression and not committing it. At all times they remained inside the Canal Zone and they took only those defensive actions required to maintain law and order and to protect lives and property within the Canal itself. Our obligation to safeguard the Canal against riots and vandals and sabotage and other interference rests on the precepts of international law, the requirements of international commerce, and the needs of free world security.

These obligations cannot be abandoned. But the security of the Panama Canal is not inconsistent with the interests of the Republic of Panama. Both of these objectives can and should be assured by the actions and the agreement of Panama and the United States. This Government has long recognized that our operation of the Canal across Panama poses special problems for both countries. It is necessary, therefore, that our relations be given constant attention.

Over the past few years we have taken a number of actions to remove inequities and irritants. We recognize that there are things to be done and we are prepared to talk about the ways and means of doing them. But violence is never justified and is never a basis for talks. Consequently, the first item of business has been the restoration of public order. The Inter-American Peace Committee, which I met this morning, deserves the thanks of us all not only for helping to restore order, but for its good offices. For the future, we have stated our willingness to engage without limitation or delay in a full and frank review and reconsideration of all issues between our two countries.

We have set no pre-conditions to the resumption of peaceful discussions. We are bound by no preconceptions of what they will produce. And we hope that Panama can take the same approach. In the meantime, we expect neither country to either foster or yield to any kind of pressure with respect to such discussions. We are prepared, 30 days after relations are restored, to sit in conference with Panamanian officials to seek concrete solutions to all problems dividing

MORE

our countries. Each government will be free to raise any issue and to take any position. And our government will consider all practical solutions to practical problems that are offered in good faith.

Certainly, solutions can be found which are compatible with the dignity and the security of both countries as well as the needs of world commerce. And certainly Panama and the United States can remain, as they should remain, good friends and good neighbors.

QUESTION: Mr. President, before you go I wonder if you could entertain another question or so. For example, how do you think things are going up on the Hill?

THE PRESIDENT: Well, we signed the Cultural bill this morning. We finished up the Appropriation bill before we went home Christmas. We completed the Education bills that were then in conference and signed them. We had two big items that are high on the agenda; the Civil Rights bill.

We have the feeling and the belief of the leadership that we will have that bill before the House early in the month and that we will have final action on it before they take a holiday for Lincoln's Birthday.

On the Tax bill Senator Byrd has called me within the hour and told me that they reversed the decision earlier made and today they took the language out, all repeal language, dealing with excises and restored \$450 million in the bill by a nine to eight vote and then reported the bill to the Senate by a vote of twelve to five.

We -- you are also writing some other stories, I think, about an insurance policy that was written on my life some seven years ago and I am still here. The company in which Mrs. Johnson and my daughters have a majority interest, along with some other stockholders, were somewhat concerned when I had a heart attack in 1955 and in 1957 they purchased insurance on my life made payable to the company. And the insurance premiums were never included as a business expense, but they thought that was good business practice in case something happened to me so Mrs. Johnson and the children wouldn't have to sell their stock on the open market and lose control of the company. That insurance was purchased here in Washington and on a portion of the premiums paid Mr. Don Reynolds got a small commission. Mr. George Sampson, the general agent for the Manhattan Insurance Company, handled it and we have paid some \$78,000 in premiums up-to-date and there is another \$11,800 due next month which the company will probably pay to take care of that insurance.

There is a question also been raised about a gift of a stereo set that an employee of mine made to me and Mrs. Johnson. That happened some two years later, some five years ago. The Baker family gave us a stereo set. We used it for a period and we had exchanged gifts before. He was an employee of the public and had no business bending before me and was asking for nothing and so far as I knew expected

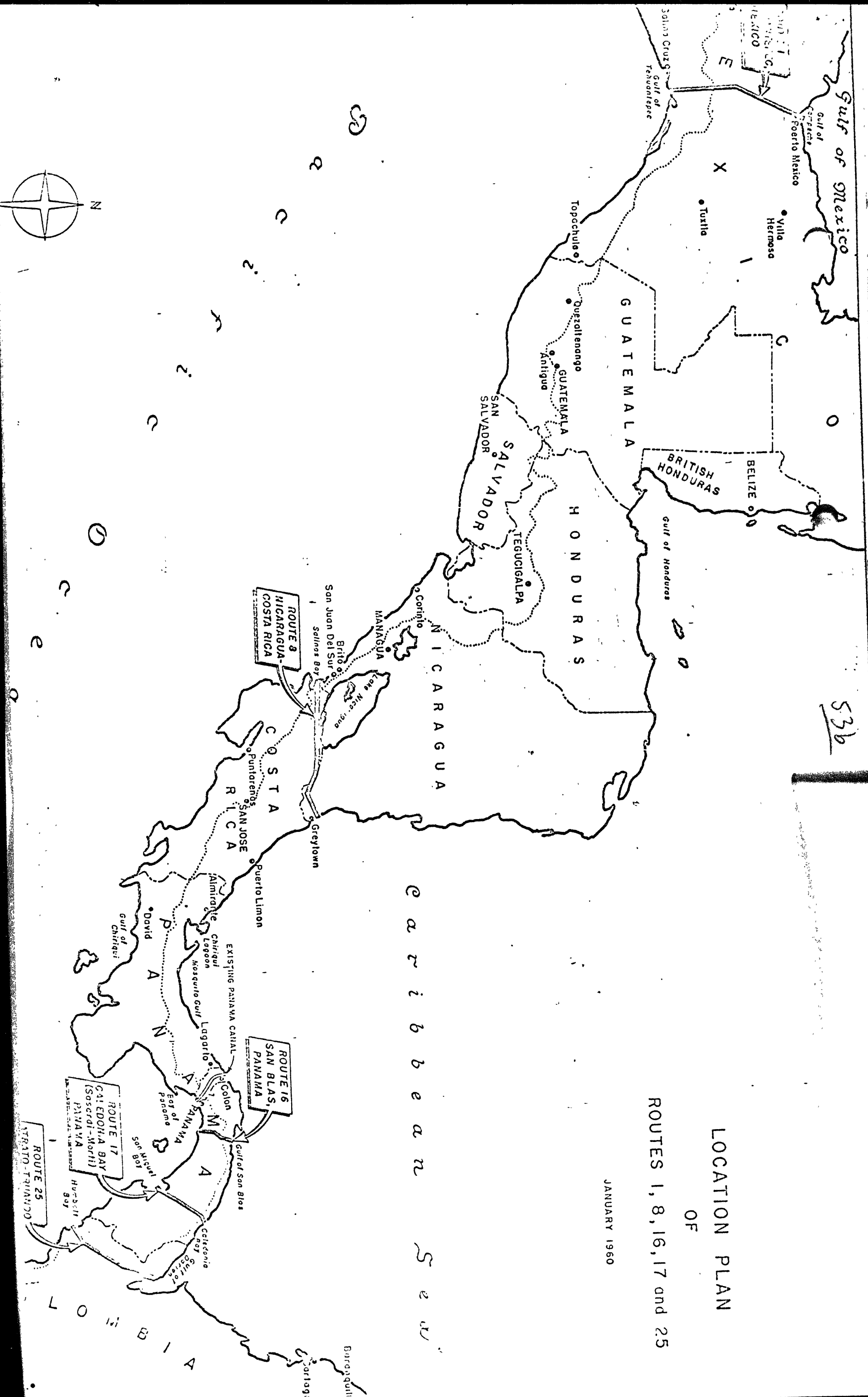
Page 3

nothing in return any more than I did when I had presented him with gifts.

I think that that is about all I know that is going on on the Hill, but I hope that covers it rather fully. That is all I have to say about it and all I know about it.

THE PRESS: Thank you, sir.

END



STATEMENT BY AMBASSADOR ELLSWORTH BUNKER TO BE
DELIVERED BEFORE THE COUNCIL OF THE ORGANIZATION
OF AMERICAN STATES, JANUARY 31, 1964

Panama

61

Mr. Chairman:

The Government of the United States regrets that the Government of Panama has chosen to break off not only diplomatic relations and direct talks, but discussions which were going on through the Inter-American Peace Committee, and to take instead the course of bringing this matter before the Council to level charges of aggression against the United States.

Both the U. S. Government and our people were profoundly saddened by the unfortunate events which transpired in Panama on January 9, 1964, and on the days immediately following. These events, which have left a tragic balance of dead and wounded on both sides, cannot in any way be considered to have served the best interests of either the United States or Panama, but rather have redounded to the sole benefit of those who seek the breakdown of the inter-American system, of those who would sow the seeds of discord among the sister republics of the New World, of those who seek to reap the ~~xxx~~ bitter harvest ~~xxxx~~ that would result from internecine strife in the Americas.

I want to reiterate that the United States remains ready at all times to try to resolve our differences around the conference table. We do not think that violence is the way to settle disputes, nor, may I add, for emotion. This is a time for calm and reason.

The record will show that the Peace Committee has worked tirelessly and selflessly, literally day and night, in Panama and in Washington, and always in the spirit of utmost impartiality and helpfulness in its efforts to bring the two parties together. My Government wishes to express its deep gratification to the Inter-American Peace Committee and individually to the distinguished members who make it up, for their significant contribution to the peace-keeping tradition of our Organization. I shall have occasion to refer again to the Inter-American Peace Committee, Mr. Chairman, but I now wish to turn to the specific charges which have brought us together today.

The truth is that the United States has at no time committed any act of aggression against the Government or the people of Panama. There is no basis in fact for the charges which have been made. Since we have not committed aggression, we are obviously not responsible for the damages and injuries to which Panama alludes.

The United States therefore welcomes a full investigation of the charges which have been made by an appropriate body of the Organization of American States and will, of course, cooperate fully in such an investigation.

If an investigation is made it will demonstrate that the civil police and the United States military forces in the Canal Zone never made any attempt to enter Panama itself and, indeed,

that they only attempted to protect lives and property in the Zone. It will show that, as a result of the attacks which were made on the Zone, there were more than one hundred American casualties, both civilian and military, including four killed. It will show continuous sniping with rifle fire from buildings and the roofs of buildings in Panama City into the Zone and great restraint on the part of United States forces notwithstanding these attacks. It will show that violent mobs, infiltrated and led by extremists, including persons trained in communist countries for political action of the kind that took place, assaulted the Zone on a wide perimeter setting fire to buildings inside the Zone and attacking with incendiary bombs and rocks the people who were inside. It will show that the Government of Panama, instead of attempting to restore order, was, through a controlled press, television and radio, inciting the people to attack and to violence. It will show a delay for some thirty-six hours on the part of the Government of Panama in restoring order. It will show looting and burning by violent mobs in Panama City itself. And it will show that no small proportion of the Panamanian casualties were caused by Panamanians themselves, including those who died of fire and suffocation in buildings and in automobiles which were set on fire.

Mr. Chairman, I reserve the right at a future meeting to make specific comments on these details of alleged happenings to which the distinguished representative of Panama referred which unfortunately do not correspond with the facts.

We also think it important that any investigation include the full story of the efforts of the IAPC in the last twenty days. For we are confident that that will demonstrate that the United States has gone more than halfway in seeking to resolve this matter.

As to the most appropriate mechanism by which such an investigation might be undertaken, my Delegation believes that there are several possibilities which might be explored and certainly it would be essential to have a full investigation before seeking or implying any judgment on the charges. In addition to the present proposal to invoke the Rio Treaty, it is possible, and in the view of my Government would be quite appropriate, for the IAPC itself to undertake an investigation. This has the advantage that its members are thoroughly familiar with so much of the situation. Alternatively, the U. S. would be willing to undertake a joint investigation with representatives of Panama under the chairmanship of a representative of the Council. Perhaps, as an initial step before taking final action on the current proposal, the Council might request one of its own committees to gather the necessary information and evidence.

In determining what action should be taken, however, it seems to me important to bear in mind the principal stumbling-block at the moment which has divided the United States and Panama and the real objective which we seek. This point was well stated by the distinguished delegate of Panama himself when he said, if I heard him right, that "Since it has not been possible to attain an express manifestation of the intention of the Government of the United States to initiate negotiations for the conclusion of a new treaty . . . the Government of Panama finds itself under the painful necessity of presenting its case to the Council of the OAS".

Whether the Rio Treaty is the proper instrument to seek to force a revision of existing treaties is a question which the Council will, of course, want to consider.

However, the most important consideration which guides our deliberations and action is the objective which we seek. So far as the United States is concerned, our consistently held objective remains to restore diplomatic and friendly relations with the Government and people of Panama and to sit down together with them at the conference table to seek to resolve all outstanding issues.

As President Johnson has said "Our obligation is to safeguard the Canal against riots and vandals and sabotage and other interference rests on the precepts of international law, the requirements of international commerce, and the needs of free world security.

"These obligations cannot be abandoned. But the security interests of the of the Panama Canal is not inconsistent with the/Republic of Panama. Both of these objectives can and should be assured by the actions and the agreement of Panama and the United States."

We have taken the position that while we cannot agree to preconditions which impair existing treaties in advance of discussion and agreement, we are prepared to engage in a full and frank review and reconsideration of all issues, may I repeat, all issues between the two countries, including those arising from the Canal and from the Treaties relating to it, in an effort to find practical solutions to practical problems and to eliminate the cause of tension.

We have made it abundantly clear that in the discussions which we propose, each government would be free to raise any matters it wished and that each government must be equally free to take any position it deems necessary on any issue raised by the other.

In short, Mr. Chairman, the United States rejects all charges of aggression.

The United States reiterates its appreciation for the work of the Inter-American Peace Committee and its conviction that the instrumentalities of the OAS are competent to deal with this problem.

The United States is prepared to cooperate in a full investigation of the facts if that is desired.

The United States urges that the Council issue a call to prevent any further violence.

The United States feels that the principal stumbling block at the moment is the insistence of one of the parties on a precondition of treaty revision.

The United States maintains its objective of resuming talks on all issues.

The United States is willing to do this on the basis of the communique of January 15. It is willing to accept the wording of the draft communique which was discussed in the sessions of the Inter-American Peace Committee. In any event the United States is prepared to resume meetings with the Peace Committee and with the Representatives of Panama to seek to work out a new solution.

- 8 -

And finally, the United States Government and people
continue to extend the hand of friendship to Panama and to
the Panamanian people.7

67

[Signature]

MR. PRESIDENT,

LATE LAST NIGHT WE RECEIVED WORD THAT MORENO ASKED THE PEACE COMMISSION TO MEET ON AN URGENT BASIS AT 1000 TODAY. THE PURPOSE OF THIS MEETING PRESUMABLY WOULD BE TO THANK THE COMMISSION FOR ITS WORK BUT THAT PANAMA DESIRED TO TAKE ITS DISPUTE TO THE OAS COUNCIL.

THE SCENARIO FROM HERE OUT WOULD BE AS I DESCRIBED IT TO YOU AT NOON TUESDAY.

THE NEW YORK TIMES WILL CARRY A HARD STORY THIS MORNING, THIS STORY BEING BASED ON A CONVERSATION BETWEEN MORENO AND THE REPORTER.

UNDOUBTEDLY THE WIRE SERVICES WILL CARRY A SIMILAR STORY.

RALPH DUNGAN

Brown Smith
files
File 68
Answer
January 28, 1964

Dear Ralph:

In rereading Tom's memorandum to the President, I think I should add the fact that in my opinion, our acceptance of the question proposed by the Committee and our affirmative answer is essential to agreement. I cannot, of course, guarantee that this will be acceptable to the Panamanian Delegation. Should it prove not to be, however, it seems to me it leaves us in the best possible position. I would feel free to add to my affirmative answer the longer statement in either case.

Sincerely,

Ellsworth Bunker

The Honorable
Ralph A. Dungan,
Special Assistant to
the President,
The White House.

1.8 a

January 28, 1964

MEMORANDUM FOR THE PRESIDENT

Ambassador Bunker presented the draft which you approved yesterday morning to the Peace Committee.

The Panamanian Delegate attempted to introduce some changes in the draft and for this was called down rather sharply by the President of the Peace Committee. We do not know what the latest Panamanian revisions consist of.

In the discussion that followed, Panama made it clear that they were afraid that discussions, if resumed, would be limited to questions of interpretation and application of the existing treaties. In order to meet this point the Peace Committee proposed that it ask Ambassador Bunker the following question to be recorded in the Minutes but not made a part of the Communique:

Question: If the Government of the United States understands that the third (By Committee) paragraph of the draft communique includes the right of either party at any time in the course of the conversations to request the revision of existing treaties relating to the Panama Canal and the duty of the other party to consider such request, and that the parties are not therefore limited to the consideration only of problems of interpretation and application of the said existing treaties.

Answer: Yes.
(By Ambassador Bunker)

Ambassador Bunker feels that we should accept the question as written and give the affirmative answer suggested. The draft question and answer have been passed to the Panamanians as well as to us. Ambassador Bunker believes that the Peace Committee is now on our side and that this will help to keep them there. He points out that in his opinion the Committee's draft question and answer do not bind the United States legally or morally to revise the treaties.

I do not recommend that you accept this because it uses the phrase "revision of existing treaties" and because it says that we have a duty to consider a Panamanian request for revising the treaties and, by implication, unreasonable requests. I do not think that this would be understood in the United States.

As an alternative, Ambassador Bunker could suggest the following question and answer.

Question: The Government of Panama has expressed concern that discussions, if they are resumed, would be limited to consideration of problems of interpretation and application of existing treaties. Can the representative of the United States assure me that this is incorrect?

Answer: I can give the Committee those assurances.

I think that we might leave to Ambassador Bunker's discretion, depending on his estimate of feelings within the Peace Committee, the decision of whether he would expand on his answer along the lines in the attached statement.

The Committee meets again at 3:00 p.m. this afternoon.

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70
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DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

January 25, 1964

MEMORANDUM

FOR: Mr. McGeorge Bundy
The White House

FROM: Benjamin H. Read *for.*
Executive Secretary

The enclosed are successive drafts of a joint US-Panamanian statement being discussed this morning at the IPC meeting now in progress.

Enclosures:

As stated.

548

Mr. Bell
Sent to
P
M
70a

PROPOSED STATEMENT PRESENTED BY MORENO AT
9 O'CLOCK MEETING, JANUARY 25, 1964

The Governments of Panama and the United States have accepted the invitation made to them by the IAPC to reestablish their diplomatic relations as soon as possible. The parties have agreed between themselves that fifteen days after having reestablished these relations, they will designate special ambassadors with sufficient powers to negotiate, i.e., to discuss with the objective of resolving, without any limitation, all the problems that affect the relations of the two countries. The parties agree that fundamentally they will take into consideration the fact that when two friendly nations are bound by contractual stipulations or treaty provisions that are not fully satisfactory to one of the parties, arrangements should be made to permit the authorized representatives of both nations to discuss these points of disagreement with a view to resolving them.

The parties likewise agree that the purpose of the meetings of the special ambassadors with sufficient powers to which reference has been made will be to negotiate in good faith and without delay new conventions relative to the Panama Canal which may substitute for the existing agreements.

Each government will have complete freedom to raise the matters it deems necessary.

- - - - -

Ambassador Bunker's suggestion re substitution for paragraph 2, starting "The parties likewise...."

The parties likewise agree that the purpose of the meetings of the special ambassadors with sufficient powers to which reference has been made will be to achieve, in good faith and without delay, concrete solutions to all problems dividing our countries.

(Mr. Bunker said this follows exact wording of President's statement)

White House

706

January 25, 1964 11:25 a.m.

REVISED PROPOSED DRAFT

The Governments of Panama and the United States have accepted the invitation made by the Inter-American Peace Committee with a view to reestablishing diplomatic relations between the two countries as soon as possible and to eliminate the causes of tension between the two countries.

The parties have agreed between themselves that fifteen days after having reestablished the above-mentioned relations they will appoint special ambassadors with sufficient powers to negotiate, in other words, to discuss in order to resolve, without any limitations whatsoever, all of the problems that affect the relations between the two countries. The parties agree that they basically will take into account the fact that when two free countries are bound by contractual obligations or by provisions of treaties which are not fully satisfactory for one of the parties, arrangements should be made to allow the authorized representatives of both nations to discuss the points of disagreement for the purpose of solving the differences.

The parties likewise agree:

That the purpose of the meetings of the special ambassadors with sufficient powers to which reference has been made, shall be that of achieving in good faith and without delay concrete solutions to all problems dividing the countries.

That each of the governments shall be absolutely free to present for discussion any matters and to take any position it deems necessary.

All agreements reached will be promptly implemented in accordance with the respective constitutional processes of each party.

- - - - -

Mr. Bunker said that Moreno has asked to have time to clear the last three paragraphs, which are substitutions, and then go back to talks.

ARA:ps

INCOMING
MESSAGE

THE JOINT CHIEFS OF STAFF

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PRECEDENCE (ACTION)	PRECEDENCE (INFO)
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ACTION JCS UNN INFO USCINCSO UNN AMCONSUL PANAMA 439
FEB 26-1PM

CINCSO FOR COTTRELL AND POLAD

RE CINCSO SC1842A PASSED STATE FOR INFO.

1. DEPT WELCOMES ASSESSMENT OF POTENTIAL CASTRO-COMMIE THREAT IN PANAMA AND AGREES IT IS OPPORTUNE FOR INTERIM NIE.
2. APPRECIATE ANY FURTHER DETAILS CINCSO CAN GIVE US REGARDING EFFORTS OF CASTRO-COMMIES TO BUILD UP THEIR ORGANIZATION WHICH WOULD BE HELPFUL IN PREPARATION OF NEW NIE.
3. DEPT ALSO INTERESTED IN ANALYSIS OF REACTION CHIARI TO CASTRO-COMMIE ORGANIZATIONAL SURGE REPORTED BY CINCSO. MOST RECENT REPORTS REFLECT COORDINATED PRESS PLAN TO SUBDUCE INFLAMMATORY AND HATE-U.S. PRESS STORIES. DO CHIARI AND GOP VIEWS ON COMMUNIST THREAT DIFFER FROM THOSE OF PUBLISHERS DICTATING LATEST PRESS LINE CHANGE.

GP-4

ACT.....DIA-6
CJCS-2 DJS-3 SJCS-3 J3-7 J4-2 J5-1 SACSA-4 NMCC-2 JSSC-1 SAMAA-1
CSA-2 CSAF-2 CNO-2 CMC-8 OSD-15 WHITE HOUSE-3 RRA-1 FILE-1 (66)

CINCSO SC 1842A IS DTG 201430Z

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Authority D.O. 11052 SEC. 5(A) and (D)
By MJE, KANS, Date 12/3/79

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		CITE NO.	DTG 262125Z FEB 64

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MESSAGE

DEPARTMENT OF THE ARMY
STAFF COMMUNICATIONS DIVISION

PRECEDENCE		TYPE MSG (CROSS)		ACCOUNTING SYMBOL	ORIG. OR REFERS TO	CLASSIFICATION OF INFORMATION
ACTION	ROUTINE	BOOK	MULTI	OSD		
INFO						
FROM: OSD		DOWNGRADING PER INTERVALS; DECLASSIFIED WITHIN 12 YEARS. DD FORM 1360-10			SPECIAL HANDLING REQUIRED: CON: AG 101 Army AG 101 Hagoney Navy JAG- Gdr Maier AFJAL - Maj Jordan OASD/ISA(WH) Capt Sanborn OASD/ISA(F.M.R.) Mr. Gatch	
TO: USCINCSO						
CONFIDENTIAL DEF 956911		NOFORN FROM OSD				
For duration of break of relations between Panama and United States, U.S. servicemen involved in cases pending before courts in Republic of Panama will not be allowed to appear before Panamanian courts or be transferred to Panamanian jurisdiction, unless, in compelling circumstances, prior approval is obtained from Department of Defense. A decision to return to the existing procedures will be considered at the time resumption of diplomatic relations takes place.						
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SYMBOL		DATE				
AGC(IA)		25				
TYPED NAME AND TITLE (Signature, if required)		MONTH				
Benjamin Forman		FEB				
PHONE		FEB				
78343						
SECURITY CLASSIFICATION						
CONFIDENTIAL						

DATE
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MONTH
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SECURITY CLASSIFICATION	CONFIDENTIAL

SIGNATURE	<i>Benjamin Forman</i>
TYPED (or stamped) NAME AND TITLE	Benjamin Forman Assistant General Counsel International Affairs

ORIGIN: OSD
DISTR: JCS, AF, NAVY, CMC, SDLO, JAG
DEF 956911
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Authority E.O. 11652 SEC. 1(A) and (D)
By MDE, NARS, Date 12/3/79

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THE JOINT CHIEFS OF STAFF

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TO JCS

SECRET SC1842A.

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Authority E.O. 11652 SEC. 5(A) and (D)

By NDE, NARS, Date 12/3/79

RECOMMEND THAT, AT THE DISCRETION OF THE JCS, THIS BE PASSED TO STATE FOR INFORMATION;

1. THE PRESENT SITUATION IN PANAMA IS QUIET. THE THREAT TO U.S. PROPERTY OR PERSONNEL IN THE CANAL ZONE AT THIS TIME IS MINIMAL. I DO NOT CONSIDER THAT THIS THREAT WILL INCREASE DANGEROUSLY IN THE NEAR FUTURE. THE REAL AND GROWING THREAT IS TO THE BUSINESS COMMUNITY OF PANAMA AND THOSE ELEMENTS IN THE REPUBLIC WHO ARE OR HAVE BEEN FRIENDLY TO THE UNITED STATES.

2. WHILE THE COMMUNISTS DO NOT YET HAVE SUFFICIENT ARMS OR MONEY TO SEIZE CONTROL OF THE GOVERNMENT, THEY HAVE ADOPTED A COURSE OF ACTION WHICH COULD VERY QUICKLY CORRECT THE ORGANIZATIONAL WEAKNESSES WHICH HAVE PLAGUED THEM IN THE PAST. THE NATIONAL COMMITTEE FOR RECOVERY OF NATIONAL SOVEREIGNTY BECAME AN ORGANIZATIONAL ENTITY AND A POWERFUL MOLDER OF PUBLIC OPINION ON 10 JANUARY. IT WAS ALMOST IMMEDIATELY TAKEN OVER BY DOCUMENTED COMMUNISTS OR SUPPORTERS OF CASTRO. NON-COMMUNISTS, TO INCLUDE THE STRONG CATHOLIC ELEMENT, ALTHOUGH THEY HAVE TRIED, HAVE FOUND IT DIFFICULT, IF NOT IMPOSSIBLE, TO COMBAT COMMUNISM WITHIN THE MOVEMENT WITHOUT FACING SERIOUS CHARGES OF ANTI-NATIONALISM OR PRO-GRINGOISM. THE COMMUNISTS HAVE ALREADY BEGUN TO ESTABLISH SUB-COMMITTEES OF THE NATIONAL COMMITTEE THROUGHOUT THE COUNTRY AND NOW AIM TO ESTABLISH CITY BY CITY, DISTRICT BY DISTRICT, BLOCK BY BLOCK, ORGANIC UNITS IMMEDIATELY RESPONSIVE TO THE NATIONAL COMMITTEE. EFFECTIVE COMMUNIST ACTIVISTS, TO INCLUDE FLOYD BRITTON AND VICTOR AVILA, HAVE BEEN DOING ORGANIZATIONAL WORK ALONG THIS LINE. SUCH AN AUTHORITARIAN ORGANIZATION COULD GAIN

ACT.....J3-7

CJCS-2 DJS-3 SJCS-3 J4-2 J5-1 SACS-1 DIA/CIIC-2
NMCC-2 JSSC-1 SAMAA-1 CSA-2 CAAF-2 CNO-2 CMC-8
OSD-15 (WHITE HOUSE)-3 RRA-1 FILE-1 (59)JRT (STATE)

ADVANCE COPIES TO: CJCS, DJS, NMCC, DIA/CIIC

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SAGE

THE JOINT CHIEFS OF STAFF

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CONTROL OF THE MINDS OF THE PEOPLE AND NEGATE THE ABILITY OF CONSERVATIVE ELEMENTS TO MAINTAIN A DEMOCRATIC FORM OF GOVERNMENT. THE TASK OF SUCH AN ORGANIZATION IS GREATLY SIMPLIFIED BY THE FACT THAT ALMOST EVERY NEWSPAPER, RADIO, AND TELEVISION OUTLET HAS A COMMUNIST OR FAR-LEFTIST NATIONALIST ON ITS STAFF.

3. MY CONCLUSIONS ARE:

A. THAT AS THINGS NOW STAND IN THE REPUBLIC OF PANAMA, TIME WILL NOT REMAIN ON THE SIDE OF UNITED STATES OBJECTIVES; IT WILL SHIFT TO THE SIDE OF THE COMMUNIST REVOLUTIONARIES.

B. THAT THE TIME REQUIRED TO BUILD AN ORGANIZATION WHICH WILL PERMIT A COUP BY A COMMUNIST INFILTRATED AND CONTROLLED GROUP IS SHORTER THAN PREVIOUSLY ASSUMED.

4. RECOMMEND THAT AN INTERIM NATIONAL INTELLIGENCE ESTIMATE BE MADE OF THE SITUATION IN PANAMA AS A MATTER OF PRIORITY. GP4

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MESSAGE

THE JOINT CHIEFS OF STAFF ~~MASTER FILE~~ SECRET

PRECEDENCE (ACTION)

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PRIORITY

P 172238Z

DECLASSIFIED

FM USCINCSO

Authority E.O. 11652 SEC. 5(A) and (D)

TO JCS

By MDE, NARS, Date 12/3/79~~SECRET~~ SC1811MA REF JCS MSG 4769 DTG 071548Z FEB 1964.

1. (S) THE MOST SIGNIFICANT RESTRICTIONS ON THE ACHIEVEMENT OF MAP OBJECTIVES IN LATIN AMERICA ARE THE CONGRESSIONAL CEILING FOR GRANT AIR MATERIEL AND THE REQUIREMENT FOR PRESIDENTIAL APPROVAL OF MATERIEL FOR INTERNAL SECURITY MEASURES.

A. LATIN AMERICAN MILITARY ARE AWARE THAT OUR LAW REQUIRES PRESIDENTIAL APPROVAL OF MATERIEL FOR INTERNAL SECURITY ACTIVITIES IN LATIN AMERICA. THIS HAS MADE IT MORE DIFFICULT FOR THIS COMMAND, INCLUDING THE U.S. MILITARY GROUPS, TO CONVINCE SOME LATIN AMERICAN MILITARY LEADERS THAT THEY SHOULD ORGANIZE, RE-EQUIP AND RETRAIN UNITS FOR INTERNAL SECURITY. IN CERTAIN COUNTRIES WHERE THE U.S. HAS BEEN COMPELLED TO SEEK SUPPLEMENTAL AGREEMENTS TO GOVERN THE USE OF MILITARY ASSISTANCE FOR INTERNAL SECURITY, THE EXCHANGE OF NOTES CONCERNING INTERNAL SECURITY HAS BEEN A SENSITIVE AND LONG DRAWN OUT AFFAIR.

B. IN THE PAST MILITARY ASSISTANCE FUNDS HAVE NOT MET THE NEEDS OF LATIN AMERICA. THE THREAT IS GROWING DAILY AND THE CURRENT LEVEL OF FUNDING IS NOT MEETING THE THREAT TODAY. THE CONGRESSIONAL CEILING OF \$57.5 MILLION FOR MATERIAL PREVENTED THE NECESSARY BUILD UP OF INTERNAL SECURITY FORCES, COASTAL DEFENSE AND SURVEILLANCE CAPABILITIES, AND CIVIC ACTION PROJECTS. THE CURRENT CEILING OF \$55.0 MILLION IS EVEN WORSE. ARGENTINA IS INCLUDED FOR THE FIRST TIME IN OUR FY 1964 PROGRAM AND IS ALSO IN SUBSEQUENT YEARS' PLAN. IT'S COST MUST BE ABSORBED WITHIN THE REDUCED FUNDS. I AM WILLING TO DO THIS BECAUSE OF ARGENTINA'S IMPORTANCE, EVEN THOUGH OTHER COUNTRY PROGRAMS HAVE TO BE CUT BACK. EVEN UNDER

ACTION.....SAMAA-2

CJCS-2 DJS-3 SJCS-3 J3-7 J4-2 J5-1 J6-3 SACS-1
DIA/CIIC-2 NMCC-2 CSA-2 CSAF-2 CNO-2 CMC-8 OSD-15
RRA-1 FILE-1 (59)

THIS MESSAGE WILL BE SERVICED UPON REQUEST

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THE JOINT CHIEFS OF STAFF

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REDUCED CEILING ALL FUNDS AUTHORIZED FOR MATERIEL CANNOT BE USED FOR THAT PURPOSE. THE COST OF SUPPLY OPERATIONS IS FUNDED UNDER THE CEILING. THE NET AMOUNT FOR MATERIEL IS ABOUT \$52 MILLION.

2. (S) WITH \$52 MILLION WE ARE PROVIDING IN FY 1964 ONLY 16 HELICOPTERS IN ALL OF LATIN AMERICA. THE HELICOPTER HAS PROVEN ITS VALUE IN REDUCING THE BANDIT

PROBLEM IN COLOMBIA. COLOMBIA NEEDS MORE HELICOPTERS TO FINISH THE JOB. MORE ARE GOING TO BE NEEDED ELSEWHERE. VENEZUELA RECENTLY PURCHASED SEVEN. THE DETERIORATING SECURITY SITUATIONS IN PERU, ECUADOR AND BOLIVIA WILL REQUIRE THEIR USE. HELICOPTERS IN THE CENTRAL AMERICAN COUNTRIES ARE NEEDED FOR SURVEILLANCE, INTERNAL SECURITY AND SEARCH AND RESCUE. THE FEW HELICOPTERS IN EACH PROGRAM YEAR ARE NOT ENOUGH. DURING THE PLANNING PERIOD FY 1965-1969 WE CAN PROVIDE ONLY AN AVERAGE OF LESS THAN NINE PER YEAR FOR ALL OF LATIN AMERICA.

3. (S) WE ARE MAKING A STRONG DRIVE TO REDUCE THE DEMAND FOR HIGH PERFORMANCE FIGHTER AIRCRAFT. ONE OF OUR MOST EFFECTIVE TALKING POINTS IS TO INDUCE THE LARGER COUNTRIES TO DIVERT THEIR INTEREST TO HEAVY TRANSPORT AIRCRAFT. THESE HAVE AN IMPORTANT ROLE IN COUNTRY DEVELOPMENT. WE PLAN TO PROVIDE FOUR CQSO CHILE AND THREE TO PERU THROUGH 1969. THE FIRST IS FOR CHILE IN FY 1965. THESE ARE ALL WE CAN CONSIDER FOR GRANT AID UNDER CURRENT FUNDING PROJECTIONS. BRAZIL MAY BUY THREE TO FIVE ON CREDIT.

4. (S) SUPPORT FOR THE POLITICALLY POTENT SOUTH AMERICA NAVIES HAS BEEN CUT BELOW THE DANGER POINT. THE NAVIES ARE FEELING THE IMPACT OF THESE CUTS NOW AND WE MUST EXPECT THEIR RESENTMENT AS THEY REALIZE WE ARE TREATING THEM AS A SERVICE OF SECONDARY IMPORTANCE. IN FY 1964 THROUGH FY 1969 ONLY FIVE DD OVERHAULS FOR THE NINE FLETCHER CLASS DESTROYERS SUPPORTED BY MAP ARE PROVIDED. THREE SHOULD BE OVERHAULED ANNUALLY. ONE APD AND EIGHT SMALL NAVAL CRAFT ARE INCLUDED IN FY 1964. THIS IS TOO FEW FOR THE GREAT AMOUNT OF COASTLINE AND RIVERS THAT REQUIRE PATROLLING. EVEN FEWER ARE PROGRAMMED IN

SUCCESSING YEARS. ONLY 30 NAVAL SMALL CRAFT CAN BE PROVIDED IN THE ENTIRE FY 1964-1969 PROGRAM

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/PLAN.

5. (S) THE ARMIES NEED MORE TRANSPORTATION AND COMMUNICATIONS EQUIPMENT. CIVIC ACTION IS TAKING HOLD IN LATIN AMERICA. IN BOLIVIA, THE SUCCESS OF THE PAZ GOVERNMENT IN ITS CONFRONTATION WITH THE COMMUNIST-LED MINERS IS DUE IN NO SMALL PART TO THE INCREASED RESPECT FOR THE ARMED FORCES BY THE BOLIVIAN POP. 58/43-SPEC THE RESULT OF THE CIVIC ACTION PROGRAMS CARRIED OUT BY THE BOLIVIAN ARMED FORCES AND OF THEIR INCREASED PROFESSIONAL COMPETENCE. IN COLOMBIA COUNTER-BANDIT OPERATIONS OF THE PAST 18 MONTHS HAVE BENEFITED CAMPESENO IS GRADUALLY BEING WEANED AWAY FROM THE BRUTAL BANDIT DOMINATION AND IS MOVING MORE TOWARDS CLOSE COOPERATION WITH THE ARMED FORCES. CIVIC ACTION PROJECTS CONTRIBUTE TO THIS. TO CONTINUE AND EXPAND CIV KVM PROGRAMS MORE ENGINEER CONSTRUCTION EQUIPMENT IS REQUIRED THAN WE CAN PROVIDE UNDER CURRENT FUNDING LIMITATIONS.

6. (S) WITH JCS SUPPORT A GRANT AID MATERIEL PROGRAM FOR FY 1964 OF \$7.5 MILLION WAS OBTAINED FOR ARGENTINA. USCINCSO CONSIDERS A \$10 MILLION MATERIEL MAP SHOULD BE OBTAINED FOR ARGENTINA BUT FURTHER CUT BACKS IN OTHER LATIN AMERICAN COUNTRIES CAN NOT BE MADE. FOR FY 1965 A \$15 MILLION PROGRAM IS NEEDED FOR ARGENTINA. CONFRONTED WITH THE SITUATION WE FIND TODAY IN BRAZIL AND WITH A SHAKY BOLIVIA, WE NEED TO MOVE RAPIDLY TO INSURE ARMED FORCES IN ARGENTINA WHICH ARE FRIENDLY TO THE U.S. AND WHICH ARE EFFECTIVE.

7. (S) SURVEILLANCE AND INTERCEPT PROBLEMS IN THE CARIBBEAN AREA ARE ONLY BEGINNING AND WILL REQUIRE SIGNIFICANTLY INCREASED FUNDS. ADDITIONAL RADAR, PATROL BOATS, AIRCRAFT AND COMMUNICATIONS AND ELECTRONICS EQUIPMENT ARE REQUIRED. TO MEET THE MINIMUM NEEDS OF THE IMMEDIATE PROBLEM IN COLOMBIA, \$311,000 OF COMMUNICATIONS EQUIPMENT WILL BE PROVIDED. TO FUND THIS, WE HAD TO REDUCE BRAZIL'S PROGRAM WHICH WAS ALREADY TOO SMALL, IN THE OPINION OF THE AMBASSADOR. ADDITIONAL ASSISTANCE WILL BE REQUIRED BY COLOMBIA DURING FY 1965. IN VENEZUELA THE COST ESTIMATE FOR AUGMENTATION PACKAGE FOR SURVEILLANCE AND INTERCEPT IS \$31 MILLION. THIS AUGMENTATION REQUIREMENT CONSISTS OF \$400 THOUSAND FOR COMMUNICATION EQUIPMENT; \$21.4 MILLION FOR 12 PRINCIPAL SHIPS (PCE); AND \$9.2 MILLION FOR PATROL BOATS (100' PGM). VENEZUELA HAS 6 PCE'S WHICH ARE NOT IN COMMISSION. ASSUMING THESE 6 PCE'S ARE PLACED IN COMMISSION, THE REQUIREMENT FOR 12 PRINCIPAL SHIPS CAN BE REDUCED BY \$11 MILLION FOR A TOTAL AUGMENTATION PACKAGE COST OF APPROXIMATELY \$20 MILLION.

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THE JOINT CHIEFS OF STAFF

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IF THIS REQUIRED MATERIEL CANNOT BE PROCURED BY VENEZUELA THROUGH CASH OR CREDIT SALES, WE ARE FACED WITH THE CHOICE BETWEEN INADEQUATE SURVEILLANCE OR GRANT AID.

8. (S) IN CENTRAL AMERICA THE SURVEILLANCE AND INTERCEPT CAPABILITIES ARE VIRTUALLY NON-EXISTENT. ADDITIONAL C&E EQUIPMENT, SMALL NAVAL PATROL CRAFT AND TRAINING SHOULD BE ADDED TO THE FY 1965 PROGRAM. THIS MATERIEL AND TRAINING COST IS APPROXIMATELY \$800,000, AND MUST INCREASE IN SUBSEQUENT YEARS IF A REASONABLY ADEQUATE SURVEILLANCE SYSTEM IS TO BE ACHIEVED.

9. (S) WE CAN FORESEE NO LESSENING OF TENSIONS IN LATIN AMERICA. COMMUNIST AIMS IN THE WESTERN HEMI-SPHERE ARE WELL KNOWN. OUR LATIN AMERICAN NEIGHBORS MUST BE PROVIDED THE INCENTIVE AND THE MEANS FOR COMBAT-ING THIS MENACE. WE MUST CONTINUE TO SUPPORT UNITS ENGAGED IN INTERNAL SECURITY AND CIVIC ACTION WHILE EXPANDING CAPABILITIES IN SURVEILLANCE AND INTERCEPT TO COUNTERACT CASTRO-COMMUNIST INFILTRATION. WE CANNOT ACCOMPLISH THESE OBJECTIVES UNDER THE PRESENT FUNDING CEILINGS. THESE OBJECTIVES REQUIRE A MINIMUM OF \$75 MILLION FOR GRANT AID MATERIEL EXCLUSIVE OF PCH&T AND \$17 MILLION FOR GRANT AID TRAINING ANNUALLY FOR FY 1965 AND LATER YEARS.

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PRIORITY	PRIORITY

P 101604Z

FM USCINCSO

TO RUEAHQ/DIA

INFO RUEPDA/NMCC
RULPAK/COMUSARSO
RULBCR/COMUSNAVSO
RUEANF/COMUSAFSO
RUCQHKB/CINCSSTRIKE
RUEKHC/CINCLANT
RUCSBRB/CINCSAC
RUEPDA/ACSI/DA
RUEAHQ/AFNIN/USAF
RUECW/ONI
ZEN/ISO CANAL ZONE
RUEHC/SEC STATE
RUEHDT/USUN
RULBVAE/CTG 44.9

C O N F I D E N T I A L

SC1699DA.

ISUM FROM 092040Z TO 101300Z FEB 64.

THIS MESSAGE IS IN THREE PARTS.

PART I-PANAMA CITY

1. AT 092040Z, IT WAS REPORTED THAT APPROXIMATELY 200 PEOPLE HAD GATHERED AT SANTA ANA PLAZA, PANAMA CITY FOR THE STUDENT MEETING. SEVERAL FOREIGN PHOTOGRAPHERS AND NEWSPAPER REPORTERS WERE PRESENT. THE NATIONAL GUARD HAD MEN STATIONED 20 FEET APART ALONG CENTRAL AVENUE FROM 5TH OF MAY PLAZA TO CATHEDRAL PLAZA.

TCG.....DIA/CIIC-2

CJCS-2 DJS-3 SJCS-1 J3-7 J4-2 J5-1 SACS-1 NMCC-2 JSSC-1
SAMAA-1 CMC-8 (WHITE HOUSE)-3 FILE-1(35)FJC
(DIRNSA)(CIA)

DECLASSIFIED

Authority E.O. 11652 SEC. 5(A) and (D)
By MDE, NARS, Date 12/3/79

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MESSAGE****THE JOINT CHIEFS OF STAFF****CONFIDENTIAL**

PRECEDENCE (ACTION)

PRECEDENCE (INFO)

2. AT 092145Z, FIVE PANAMANIAN CARRYING A PANAMANIAN FLAG MARCHED DOWN THE MIDDLE OF KENNEDY AVENUE TOWARD THE TIVOLI HOTEL. GROUP PASSED TIVOLI AND CONTINUED UP FORTH OF JULY TO BALBOA INTERSECTION TURNING INTO PANAMA CITY. AT BALBOA AND FOURTH OF JULY INTERSECTION AN AUTOMOBILE ACCIDENT HAD OCCURRED INVOLVING A PANAMANIAN BUS AND AUTOMOBILE. A LARGE CROWD HAD ASSEMBLED AT SCENE OF ACCIDENT. MARCHERS CARRYING PANAMANIAN FLAG WERE COMPLETELY IGNORED BY THE ASSEMBLED CROWD AS THEY PASSED THE SCENE OF THE ACCIDENT.

3. AT 092240Z, CROWD HAD INCREASED IN SANTA ANA PLAZA TO APPROXIMATELY 2000 WHICH WAS FAR SHORT OF THE 5,000 PEOPLE INSTIGATORS OF THE DEMONSTRATION HAD HOPED AND EXPECTED WOULD ASSEMBLE. ANTI-U.S. AND ANTI-OAS SPEECHES WERE MADE BY STUDENT LEADERS. SPEAKERS INCLUDED:

VICTOR AVILA - SECRETARY GENERAL OF UNIVERSITY STUDENTS.

FEDERICO BRITTON - UNION DE SECONDARY STUDENTS

GILBERTO SANCHEZ - STUDENTS AND PEOPLE OF THE INTERIOR.

CLARENCY BECHER FOR THE UNION OF TEACHERS AND PROFESSORS

RUBEN REI A FOR THE SYNDICAL UNION

4. AT 092340Z, TWO SMALL GROUPS OF PANAMANIAN YOUTHS WERE REPORTED THROWING ROCKS AT CANAL ZONE VEHICLES IN VICINITY OF HOLLYWOOD AND CURUNDU AND THE LEGISLATIVE PALACE. CANAL ZONE POLICE AND NATIONAL GUARD DISPERSED YOUTHS WITHOUT INCIDENT.

5. AT 100035Z, DEMONSTRATION AT SANTA ANA PLAZA HAD BROKEN UP WITH APPROXIMATELY 1,000 DEMONSTRATORS MOVING TO THE PRESIDENTIAL PALACE. AT THE PRESIDENTIAL PALACE MAX AROSEMENA, MINISTER OF GOVERNMENT AND JUSTICE, ADDRESSED THE CROWD AFTER WHICH THE CROWD DISPERSED WITHOUT INCIDENT.

6. AT 100048Z, SMALL GROUPS OF PANAMANIAN STUDENTS WERE REPORTED MOVING TOWARD THE SHALER TRIANGLE AREA. AT 100050Z, ONE PANAMANIAN CARRYING A PANAMANIAN FLAG

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WAS OBSERVED CLIMBING THE FENCE NEAR THE TIVOLI HOTEL. INDIVIDUAL PROCEEDED TO BALBOA HIGH SCHOOL WHERE HE WAS APPREHENDED BY CANAL ZONE POLICE. THE CANAL ZONE POLICE TURNED THE PANAMANIAN OVER TO THE NATIONAL GUARD WITHOUT INCIDENT.

7. AT 100100Z, PANAMANIAN CROWD ESTIMATED FROM 200 TO 500 WAS PROCEEDING DOWN CENTRAL AVENUE TOWARD SHALER TRIANGLE. WITHIN ONE BLOCK OF SHALER TRIANGLE THE NATIONAL GUARD DIVERTED THIS CROWD TOWARD SANTA ANA PLAZA.

8. AT 100110Z, APPROXIMATELY 100 PANAMANIANS WERE REPORTED ON PERU AVENUE THROWING ROCKS AT THE CUBAN EXILE ASSOCIATION BUILDING. NATIONAL GUARD DISPERSED THIS GROUP WITHOUT FURTHER INCIDENT.

9. AT 100150Z, PANAMANIANS IN THE SHALER TRIANGLE AREA NUMBER UP TO APPROXIMATELY 300. THE NATIONAL GUARD HAD MEN SPACED 20 FEET APART FROM SHALER TRIANGLE TO THE FOURTH OF JULY AVENUE AS FAR AS THE PAN AM BUILDING. TEN MINUTES LATER THIS CROWD DISPERSED PEACEFULLY.

10. AT 100230Z THE CROWDS FROM CENTRAL AVENUE AND SHALER TRIANGLE WERE REASSEMBLED IN SANTA ANA PLAZA. LEFTIST STUDENT LEADER AVILA ADDRESSED THE GROUP STATING THAT THE STONING INCIDENT ON PERU AVENUE (CUBAN EXILE ASSOCIATION BUILDING) AND THE FLAG CARRYING PANAMANIAN WERE INCITED BY FLOYD BRITTON AND HUMBERTO HARRIS (KNOWN LEFTIST STUDENT LEADERS) AGAINST THE WILL OF AVILA, SALAS, AND AHUMADA (LEFTIST ORIENTED STUDENT LEADERS). AVILA REPORTEDLY STATED THAT HE WANTED ACTION TAKEN AGAINST BRITTON, HARRIS AND THE FLAG CARRYING PANAMANIAN. AVILA REQUESTED THOSE ASSEMBLED TO RETURN TO THEIR HOMES. THE GROUP DISPERSED PEACEFULLY.

PART II - COLON:

1. AT 092215Z APPROXIMATELY 260 STUDENTS DEPARTED FROM THE ABEL BRAVO SCHOOL IN COLON PROCEEDING ALONG CENTRAL AVENUE TOWARD THE FIFTH OF NOVEMBER PART. ROUTE OF MARCH WAS WITHIN TWO BLOCKS OF CANAL ZONE.

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THEY PROCEEDED TO THE PARK IN AN ORDERLY MANNER AND WERE GREETED BY APPROXIMATELY 500 PEOPLE AWAITING THEIR ARRIVAL. THE MAIN THEME OF THE SPEECHES WAS ANTI-U.S. THE MEETING WAS ORDERLY AND ENDED AT APPROXIMATELY 100115Z WITHOUT INCIDENT.

PART III - APPRAISAL:

1. LEFTIST AND COMMUNIST ORIENTED STUDENT LEADERS FAILED IN THEIR EFFORTS TO MUSTER SIZEABLE POPULAR SUPPORT FOR THEIR ANTI-U.S. DEMONSTRATIONS IN PANAMA CITY AND COLON.

2. THE NATIONAL GUARD KEPT SITUATION WELL UNDER CONTROL AND SUCCESSFULLY PREVENTED SERIOUS INCIDENTS FROM OCCURRING.

3. APPARENTLY DEMONSTRATION LEADERS DID NOT DESIRE VIOLENCE WHICH COULD HAVE ADVERSELY AFFECTED CURRENT OAS ACTION.

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PRECEDENCE (ACTION)	PRECEDENCE (INFO)
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P 071522Z

FM GOVERNOR CANAL ZONE

TO RUEPDA/SEC ARMY WASHDC

INFO RUEPWW/WHITE HOUSE

RUEPDA/JCS

RUEHC/DEPT STATE

RUEAHQ/DIA

RUEPDA/SEC PANCANAL CO WASHDC

ZEN/USCINCSO

RULPBH/CAS FT AMADOR

DECLASSIFIED

Authority E.O. 11652 SEC. 5(A) and (D)

By MDE, NARS, Date 12/3/71

CONFIDENTIAL CZG 0014. FM FLEMING TO AILES ATTN COL JOHN SHEFFEY.

SITUATION REPORT FROM GOVERNOR OF THE CANAL ZONE COVERING PERIOD 1000R 6 FEBRUARY TO 1000R 7 FEBRUARY 1964.

A. SITUATION IN PANAMA.

1. PANAMANIAN NEWS MEDIA IS PLAYING DOWN THE PLANNED STUDENT-WORKER DEMONSTRATION FOR 9 FEBRUARY. THE LOCATION FOR THE DEMONSTRATION HAS BEEN CHANGED FROM CINCO DE MAYO PLAZA TO SANTA ANA PLAZA FOR THE ANNOUNCED REASON THAT THERE IS LESS LIKELIHOOD OF AN INCIDENT DEVELOPING AT SANTA ANA, WHICH IS FURTHER AWAY FROM THE CANAL ZONE BORDER.

2. ON 6 FEBRUARY USCINCSO WAS CONTACTED BY COMANDANTE VALLARINO OF THE PANAMA NATION GUARD. VALLARINO ASKED FOR A "MILITARY ASSESSMENT" IF SIXTY (60) PANAMANIAN STUDENTS WERE TO COME INTO THE CANAL ZONE TO DISPLAY THEIR FLAG AT THE BALBOA HIGH SCHOOL.

COG.....J3-7

CJCS-3 DJS-3 SJCS-1 J4-2 J5-1 J6-3 SACS-1 DIA/CIIC-2 NMCC-2 CSA-2 CSAF-2 CNO-2 CMC-8 OSD-15 WHITE HOUSE-3 FILE-1 (58) KLH

ADVANCE COPIES TO CJCS, DJS, NMCC, OSD, AND DIA/CIIC.

(CIA)

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PRECEDENCE (ACTION)	PRECEDENCE (INFO)
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AFTER CONSULTATION, USCINCSO WAS REQUESTED TO ADVISE COMANDANTE VALLARINO THAT IT WAS NOT REPEAT NOT A GOOD IDEA, AND I TELEPHONED FOREIGN MINISTER SOLIS AND INFORMALLY ADVISED HIM OF THE RUMOR THAT SOME SIXTY (60) PANAMANIAN STUDENTS WERE PLANNING TO COME INTO THE CANAL ZONE TO DISPLAY THEIR FLAG AT THE BALBOA HIGH SCHOOL. I TOLD DR SOLIS THAT UNDER THE PRESENT CIRCUMSTANCES SUCH A DEMONSTRATION WOULD BE AN UNFRIENDLY AND PROVACTIVE THING, AND ASKED HIM TO PASS THE WORD. DR SOLIS AGREED THAT THE DEMONSTRATION WOULD BE EXTREMELY UNWISE AND SHOULD NOT REPEAT NOT BE ALLOWED TO START. DR SOLIS SAID THAT HE WOULD PASS THE WORD.

B. PANAMA CANAL OPERATIONS.

ALL CANAL ZONE OPERATIONS NORMAL. END SCP-4

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INCOMING TELEGRAM *Department of State*

Panama

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Action
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VV EUA080REE133
PP RUEHCR
DE RULPC 34 29/0759Z
P 290754Z
FM GOVERNOR CANAL ZONE
TO RUEPDA/SEC ARMY WASHDC
INKO RUEPWW/WHITE HOUSE
RUEPDA/JCS
RUEHCR/USDEPT STATE
RUEPDA/SEC PCCO WASHDC
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1964-JAN 29 AM 6 17

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Authority E.O. 11652 SEC. 5(A) and (D)

By MTE, NARS, Date 12/3/79

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C O N F I D E N T I A L. CZ0001 ATTN: COLONEL JOHN SHEFFEY
SITUATION REPORT FROM GOVERNOR OF CANAL ZONE COVERING
PERIOD 0300R 28 JANUARY 1964 TO 0300R 29 JANUARY 1964.

A. SITUATION IN PANAMA.

A USUALLY RELIABLE SOURCE REPORTED THAT NEWLY DESIGNATED
PANAMANIAN AMBASSADOR TO COSTA RICA, HERNAN PORRAS, WAS TOLD IN
HIS DEPARTURE INTERVIEW WITH PRESIDENT CHIARI THAT THE PRESIDENT
WAS ONLY "SERVING AS THE INTERPRETER OF THE WILL OF THE
PANAMANIAN PEOPLE." THE PRESIDENT IS FURTHER REPORTED AS HAVING
SAID THAT HE WAS DISTURBED ABOUT THE SITUATION BUT THAT HE WAS

PAGE 2 RULPC 34 C O N F I D E N T I A L
WAITING FOR THE U.S. TO MAKE THE NEXT MOVE, OR FOR THE PANAMANIAN
PEOPLE TO INDICATE THAT THEY WANTED TO CHANGE THE MANDATE GIVEN
TO HIM.

IT IS RELIABLY REPORTED THAT FERNANDO ELETA CONTACTED THE
ISRAEL CONSUL, ALEXANDER TSUR, IN THE LAST DAY OR TWO AND ATTEMPTED
TO "BUTTER HIM UP." ELETA ASKED TSUR TO USE HIS INFLUENCE AND THE
INFLUENCE OF HIS GOVERNMENT TO WIN SUPPORT FOR PANAMA'S CAUSE
AGAINST THE U.S. IT WAS INDICATED TO TSUR THAT ELETA WAS MAKING
THIS SAME APPROACH TO OTHER FOREIGN GOVERNMENT REPRESENTATIVES IN
PANAMA.

A POSSIBLE CONNECTION IS AN ANNOUNCEMENT IN THE ENGLISH
PANAMA AMERICAN, 28 JANUARY, REPORTING THAT THE PANAMANIAN
NATIONAL ECONOMIC COUNCIL HAD RECOMMENDED ESTABLISHING COMMERICAL
RELATIONS WITH ALL COUNTRIES, INCLUDING IRON CURTAIN COUNTRIES.
ELETA'S NAME, ALONG WITH CHASE BANK VICE PRESIDENT RUBEN CARLES,
IS LISTED AS A MEMBER OF THIS COUNCIL.

B. PANAMA CANAL OPERATIONS.

CANAL TRANSITS: 15 NORTHBOUND, 21 SOUTHBOUND. TOTAL
OF 36 TRANSITED 28 JANUARY 1964.

C. CANAL ZONE INCIDENTS.

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-2- UNNUMBERED, DTG 290754Z JANUARY, FROM GOVERNOR CANAL ZONE

IT IS POSSIBLE THAT THE SITUATION HERE IS ENTERING A NEW PHASE IN WHICH ACTS OF SABOTAGE ARE TO BE UNDERTAKEN. FIRST, AN ATTEMPT TO SET THE TIVOLI GUEST HOUSE ON FIRE THE AFTERNOON OF 27 JANUARY, AND NOW ON 28 JANUARY AN ATTEMPT WAS MADE TO SABOTAGE A PANAMA RAILROAD TRAIN. ACCORDING TO THE PRELIMINARY REPORT, THE TRAIN LEAVING THE PACIFIC SIDE AT 2000R HIT A MANHOLE COVER WHICH HAD BEEN PLACED ON THE TRACKS IN THE PEDRO MIGUEL-SUMMIT AREA. THE TRAIN WAS STOPPED AFTER HITTING THE FIRST SUBJECT AND CREWS ARE REPORTED TO HAVE REMOVED THREE OTHER MANHOLE COVER AND BRICK AND OTHER DEBRIS FROM THE TRACK BEFORE PROCEEDING TO GAMBOA. A WORK CAR WILL MAKE TRACK INSPECTIONS AHEAD OF SUBSEQUENT TRAINS.
END. SCP-4

FLEMING

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Panama
UNCLASSIFIED *15*

PRECEDENCE (ACTION)	PRECEDENCE (INFO)
PRIORITY	PRIORITY

P 280259Z

FM USCINCSO

TO RUEPDA/JCS

INFO RUEAHQ/DIA
RUEPDA/NMCC
RULPAK/COMUSARSO
RULBCR/COMUSNAVSO
RUEANF/COMUSAFSO
RUCQHKB/CINCSSTRIKE
RUCKHC/CINCLANT
RUCSBRB/CINCSAC
RUEPDA/ACSI/DA
RUEAHQ/AFNIN/USAF
RUECW/ONI
ZEN/ISO CANAL ZONE
RUEHC/SEC STATE
RUEHDT/USUN
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UNCLAS E F T O SC1468D.

SPIREP AS OF 280200Z JANUARY 1964.

DURING AFTERNOON OF 27 JAN 1964, AN ATTEMPT WAS MADE TO BURN THE TIVOLI HOTEL. AT 272008Z JAN 1964, A MAID IN A HOUSE IN THE CANAL ZONE NEAR THE TIVOLI REPORTED TO THE CANAL ZONE POLICE THAT SHE HAD JUST SEEN A PANAMANIAN CLIMB THE CYCLONE FENCE IN THE REAR OF THE TIVOLI. HE WAS CARRYING A BROWN PAPER BAG. INVESTIGATION BY THE CANAL ZONE POLICE REVEALED THAT A FIRE HAD BEEN STARTED IN A REAR PASSAGEWAY OF THE HOTEL BUT HAD BURNED OUT. THE FLOOR AND WALL WERE CHARRED AND PAINT WAS BLISTERED. A BROKEN GALLON JUG, A BOOK OF MATCHES AND A PIECE OF A BROWN PAPER BAG WERE FOUND AT THE SCENE. POLICE REPORT THAT THE FIRE WAS STARTED WITH GASOLINE. POLICE HAVE A DESCRIPTION OF THE SUSPECT, HAVE

ACT.....J3-7

CJCS-2 DJS-3 SJCS-3 J4-2 J5-1 SACS-1 DIA/CIIC-2 NMCC-2
JSSC-1 SAMAA-1 CSA-2 CSAF-2 CNO-2 CMC-8 OSD-15 (WHITE
HOUSE)-3 RRA-1 FILE-1 (59) FJC
K(DIRNSA)(CIA)(CINCONAD)

ADV COPY TO NMCC DIA/CIIC OSD

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MESSAGE

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PRECEDENCE (ACTION)	PRECEDENCE (INFO)
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PHOTOGRAPHED THE SITE OF THE FIRE AND ARE CHECKING THE
GLASS FRAGMENTS FOR LATENT FINGERPRINTS. INFORMATION
DEVELOPED HAS BEEN GIVEN TO THE GUARDIA NACIONAL AND THE
DEPARTMENT OF NATIONAL INVESTIGATIONS (DENI). POLICE
INVESTIGATION IS CONTINUING
BT

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**INCOMING
MESSAGE**

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Panama 17
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PRECEDENCE (ACTION)	PRECEDENCE (INFO)
PRIORITY	PRIORITY

P 280256Z

FM USCINCSO

TO RUEPDA/JCS

INFO RUEPDA/NMCC
RUEAHQ/DIA
RUEHCR/STATE DEPT
RULPAK/COMUSARSO
RUEANF/COMUSAFSO
RULBCR/COMUSNAVSO

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Authority E.O. 11652 SEC. 5(A) and (D)

By ME, NARS, Date 12/3/79

C O N F I D E N T I A L SC1466DA.

LT COL R.A. READMAN, BRITISH ARMY ATTACHE TO VENEZUELA, TODAY ADVISED THAT HE HAD TALKED VERY RECENTLY WITH COLONEL VALLARINO, FIRST COMMANDANT, GUARDIA NACIONAL. READMAN WAS IMPRESSED BY THREE POINTS IN THIS CONVERSATION.

1. THE SURPRISING AMOUNT OF EMOTIONALISM WHICH VALLARINO DISPLAYED OVER THE FLAG ISSUE.

2. GUARDIA NACIONAL HAD NO QUAREL WITH THE U.S. MILITARY. THE TROUBLE WAS WITH THE "ZONIANS."

3. THE GUARDIA DID NOT GO INTO THE STREETS THE FIRST NIGHT BECAUSE A MOB OF 5000 APPEARED AT THE GUARDIA HEADQUARTERS AND DEMANDED THAT THEY BE ISSUED ARMS. IF HE HAD GONE INTO THE STREETS AND TRIED TO BREAK UP THE MOBS IT COULD ONLY HAVE INCREASED THE BLOODSHED AND IT WAS A TRADITION OF THE GUARDIA NOT TO FIRE ON PANAMANIANIS.

COMMENT: USSOUTHCOM HAD A REPORT ON NIGHT OF THURSDAY 9 JANUARY 1964, THAT 1000 APPEARED AT GUARDIA HEAD-QUARTERS DEMANDING ARMS. GP-4

ACT.....DIA/CIIC-2

CJCS-2 DJS-3 SJCS-3 J3-7 J4-2 J5-1 SACS-1 NMCC-2 JSSC-1

SAMAA-1 CSA-2 CSAF-2 CNO-2 CMC-8 OSD-15 (WHITE HOUSE)-3

RRA-1 FILE-1 (59) FJC

(CINCLANT)(CNCONAD)(CINCSTRIKE)

ADV COPY TO NMCC, DIA/CIIC, OSD

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Panama 18
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PRECEDENCE (ACTION)	PRECEDENCE (INFO)
PRIORITY	PRIORITY

P 272138Z

FM USCINCSO

TO RUEPDA/JCS

INFO RUEPDA/CSA
RUEAHQ/CSAF
RUECW/CNO
RULPAK/COMUSARSO
RULBCR/COMUSNAVSO
RUEANF/COMUSAFSO

DECLASSIFIED

CONFIDENTIAL SC1459PA.

Authority E.O. 11652 SEC. 5(A) and (D)
By MTE, NARS, Date 12/3/79

1. REFERENCES:

A. USCINCSO MSG SC1331A, DG 201632Z JAN 64.

B. JCS MSG 4484, DTG 212327Z JAN 64.

2. SUBJECT: EVACUATION OF DEPENDENTS OF US MILITARY AND DOD CIVILIANS WHO WERE RESIDING IN THE REPUBLIC OF PANAMA AND SOUGHT REFUGE IN THE CANAL ZONE SUBSEQUENT TO 9 JAN 64.

3. BECAUSE OF A LACK OF GOVERNMENT FAMILY QUARTERS ON MILITARY RESERVATIONS IN THE CANAL ZONE, OVER 1,100 US MILITARY PERSONNEL AND DOD CIVILIAN EMPLOYEES WITH SOME 2,600 DEPENDENTS WERE LIVING IN THE REPUBLIC OF PANAMA ON 9 JAN 64. AS A RESULT OF THE EVENTS OF 9 TO 14 JAN 64, THE MAJORITY OF THESE FAMILIES, ALONG WITH NUMBERS OF OTHER PERSONS, SOUGHT REFUGE IN THE CANAL ZONE. THESE INCLUDED, AMONG OTHERS, EMPLOYEES OF OTHER US GOVERNMENTAL AGENCIES, PRIVATE BUSINESSMEN, CONTRACTORS, TOURISTS, ETC.

4. THE RECORDS KEPT AT MILITARY INSTALLATION EVACUATION CENTERS REFLECT A TOTAL OF 3,434 PERSONNEL WERE REGISTERED AND

ACT.....J3-7

CJCS-2 DJS-3 SJCS-3 J4-2 J5-1 SACS-1 DIA/CIIC-2
NMCC-2 JSSC-1 SAMAA-1 CMC-8 OSD-15 (WHITE HOUSE)-3
RRA-1 FILE-1 (STATE) (CINCLANT) (CINCSTRIKE) (CINCONAD)
(53)SO

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PROCESSED THROUGH THOSE CENTERS. THIS FIGURE DOES NOT INCLUDE UNITED STATES MILITARY PERSONNEL, BUT DOES INCLUDE PERSONNEL IN ALL OTHER CATEGORIES REGARDLESS OF STATUS OR NATIONALITY, AND IT REPRESENTS THE TOAL IMPACT ON EVACUATION CENTERS AT MILITARY INSTALLATIONS. MANY OF THESE PERSONNEL WERE NOT QUARTERED OR OTHERWISE PROVIDED FOR AT THESE CENTERS AND, IN SOME CASES, WERE QUARTERED THERE FOR ONLY A SHORT PERIOD OF TIME. LARGE NUMBERS OF US CITIZENS WERE TAKEN INTO PRIVATE HOMES IN THE CANAL ZONE, SOME WERE HOUSED IN MILITARY QUARTERS TEOPORARILY UNOCCUPIED, SOME RETURNED ON THEIR OWN INITIATIVE TO THE REPUBLIC OF PANAMA AS SOON AS THE SITUATION QUIETED DOWN, AND SOME MADE PERSONAL TRAGEL ARRANGEMENTS TO LEAVE THE COUNTRY. EARLY FIGURES ON TOTAL NUMBER OF DEPENDENTS FLUCTUATED CONSIDERABLY DUE TO FACTORS ABOVE AND COULD NOT BE CONFIRMED UNTIL SPONSORS AND DEPENDENTS WERE PERSONALLY CONTACTED BY RESPONSIBLE OFFICERS. IN MANY INSTANCES, DEPENDENTS OF ONE COMPONENT WERE INITIALLY HOUSED WITH OTHER COMPONENTS AND WERE COUNTED TWICE. ON 19 JAN 64, THOSE REFUGEE PERSONNEL REMAINING AT MILITARY INSTALLATIONS, WHO WERE NOT DEPENDENTS OF MILITARY PERSONNEL, DOD CIVILIAN EMPLOYEES OR DEPENDENTS OF DOD CIVILIAN EMPLOYEES, BECAME THE RESPONSIBILITY OF THE PANAMA CANAL ZONE GOVERNMENT BY MUTUAL AGREEMENT AND WERE DROPPED FROM USSOUTHCOM REPORTS.

5. ON 14 JAN 64, USCINCSO ANNUNCED THE POLICY THAT ALL DEPENDENTS OF MILITARY PERSONNEL AND DOD CIVILIAN EMPLOYEES AFFECTED COULD VOLUNTARILY REQUEST EARLY RETURN TO US AT US GOVERNMENT EXPENSEM EARLY RETURN OF DEPENDENTS UNDER THIS CRITERIA COMMENCED ON 15 JAN 64: THERE WERE 589 FAMILIES; CONSISTING OF 1,323 DEPENDENTS OF MILITARY PERSONNEL AND 2 FAMILIES, CONSISTING OF 3 DEPENDENTS OF DOD CIVILIAN EMPLOYEES RETURNED TO US UNDER THIS CRITERIA. THIS ACTION CONSTITUTED PHASE I OF REPATRIATION OF DEPENDENTS TO US.

6. A. PHASE II OF REPATRIATION OF DELENDENTS TO US WAS INITIATED UPON RECEIPT OF REFERENCE 1B. USCINCSO ESTABLISHED THE POLICY THAT DEPENDENTS WHO WOULD RECEIVE QUARTERS WITHIN 60 DAYS WOULD NOT BE REPATRIATED. SOME DEPENDENTS AT THIS TIME REQUESTED PERMISSION TO RETURN TO THEIR RESIDENCE IN THE REPUBLIC OF PANAMA RAZHER THAN RETURN TO US. ALL SPONSORS REQUESTING AN EXCEPTION TO THE REPATRIATION POLICY WERE REQUIRED TO SUBMIT THEIR REQUEST IN WRITING, TOGETHER WITH JUSTIFICATION FOR EXCEPTION. COMPONENT COMMANDERS PERSONALLY REVIEWED EACH CASE. THE EXCELTIIONS GRANTED CONSISTED OF EITHER PERSONNEL WHO WERE LONG TIME CIVILIAN RESIDENTS OR THOSE WHOSE WIVES WERE PANAMANIAN OR OF OTHER SOUTH OR CENTRAL AMERICAN NATIONALITY.

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PRECEDENCE (ACTION)

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BEFORE BEING PERMITTED TO RETURN TO THE REPUBLIC OF PANAMA, EACH SPONSOR WAS COUNSELLED ON THE POTENTIAL DANGERS, AND AUTHORITY WAS NOT GRANTED UNLESS THE COMMANDER DETERMINED THAT THE SITUATION PROVIDED SUBSTANTIAL SAFETY FOR THE FAMILY INVOLVED.

B. IN MANY CASES SUCH AS WHEN A DEPENDENT WAS A SCHOOL TEACHER IN THE CANAL ZONE SCHOOL SYSTEM, THE CANAL ZONE COMPANY PROVIDED HOUSING IN THE CANAL ZONE FOR THE FAMILY.

C. THE FOLLOWING REFLECTS THE CURRENT DISPOSITION OF DEPENDENTS UNDER PHSE II:

(1) RETURNED TO US: 129 FAMILIES, CONSISTING OF 308 DEPENDENTS.

(2) RETURNED TO RESIDENCE IN REPUBLIC OF PANAMA: 72 FAMILIES, CONSISTING OF 173 DEPENDENTS.

(3) PROVIDED GOVERNMENT QUARTERS IN CANAL ZONE: 78 FAMILIES, CONSISTING OF 192 DEPENDENTS.

7. AS OF 270900R JAN 64, FINAL DISPOSITION HAD BEEN EFFECTED FOR 858 FAMILIES OF MILITARY SPONSORS, CONSISTING OF 1,963 DEPENDENTS, AND 12 FAMILIES OF DOD CIVILIAN SPONSORS, CONSISTING OF 38 DEPENDENTS.

A. RETURNED TO US: 718 FAMILIES OF MILITARY SPONSORS, CONSISTING OF 1,611 DEPENDENTS; 2 FAMILIES OF DOD CIVILIAN SPONSORS, CONSISTING OF 3 DEPENDENTS.

B. RETURNED TO RESIDENCE IN REPUBLIC OF PANAMA: 68 FAMILIES OF MILITARY SPONSORS, CONSISTING OF 156 DEPENDENTS; 4 FAMILIES OF DOD CIVILIAN SPONSORS, CONSISTING OF 17 DEPENDENTS.

C. PROVIDED GOVERNMENT QUARTERS IN CANAL ZONE: 72 FAMILIES OF MILITARY SPONSORS, CONSISTING OF 176 DEPENDENTS; 6 FAMILIES OF DOD CIVILIAN SPONSORS, CONSISTING OF 16 DEPENDENTS.

8. THERE REMAIN IN THE CANAL ZONE 184 FAMILIES, CONSISTING OF 406 DEPENDENTS AWAITING FINAL DISPOSITION. THE FOLLOWING DEPICTS THE CURRENT STATUS OF THESE PERSONNEL BY CATEGORY:

A. TO BE PROVIDED GOVERNMENT QUARTERS WITHIN 60 DAYS: 23 FAMILIES, CONSISTING OF 87 DEPENDENTS.

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PRECEDENCE (ACTION)

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B. RETURN TO US DEFERRED PENDING VISAS: 23 FAMILIES,
CONSISTING OF 27 DEPENDENTS.

C. RETURN TO US DEFERRED FOR MEDICAL REASONS: 23
FAMILIES, CONSISTING OF 46 DEPENDENTS.

D. RETURN TO US DEFERRED PENDING FINAL PROCESSING:
10 FAMILIES, CONSISTING OF 36 DEPENDENTS.

E. PROCESSING COMPLETE AND READY FOR DEPARTURE: 29
FAMILIES, CONSISTING OF 66 DEPENDENTS. (SCHEDULED FOR RE-
PATRIATION BY MATS, 27 JAN: 10 FAMILIES, CONSISTING OF 22
DEPENDENTS.)

F. DESIRE TO RETURN TO RESIDENCE IN REPUBLIC OF PANAMA.
CASE UNDER INVESTIGATION BY COMPONENT COMMANDER: 33 FAMILIES,
CONSISTING OF 60 DEPENDENTS.

G. US DOD CIVILIAN DEPENDENTS DEFERRED PENDING
DECISION BY DOD AS TO WHETHER MOVEMENT IS TO BE UNDER EARLY
RETURN OF DEPENDENTS REGULATION OR UNDER EVACUATION REGULATIONS:
43 FAMILIES, CONSISTING OF 84 DEPENDENTS.

9. THE REMAINING PERSONNEL AWAITING RETURN TO THE US WILL
BE TRANSPORTED BY NORMAL AIR AND SEA LIFT MEANS. NO ADDITIONAL
REQUIREMENT FOR SPECIAL LIFT IS CONTEMPLATED.

GP-4

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TO : ALL ARA DIPLOMATIC POSTS CIRCULAR
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FROM : Department of State

DATE:

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SUBJECT: COAS/OC Resolution on Panama

TR	XMB	AIR
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REF :

ARMY	CIA	NAVY
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Quoted below is text of Resolution on Panama adopted February 7, 1964 by the COAS/OC:

"OEA/Ser.G/V
C-d-1197(English)
7 February 1964
Original: Spanish

"THE COUNCIL OF THE ORGANIZATION OF AMERICAN STATES
ACTING PROVISIONALLY AS ORGAN OF CONSULTATION

"WHEREAS:

Article 4 of the Charter of the Organization of American States proclaims the following as the first two essential purposes of the Organization: "To strengthen the peace and security of the continent" and "To prevent possible causes of difficulties and to ensure the pacific settlement of disputes that may arise among the member states";

The Inter-American Treaty of Reciprocal Assistance recognizes the preeminent position within the inter-American system of the procedures for the pacific settlement of controversies, and explicitly and especially

mentions

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FORM 4-62 DS-323

Drafted by: ARA/RPA:CEGonzalez:ijn 2/7/64

Contents and Classification Approved by: ARA/RPA - Ward P. Allen

Clearances:

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mentions the principles set forth in the preamble and declarations of the Act of Chapultepec; and

At the special meetings of the Council held on January 31 and February 4, 1964, both the Representative of the Government of Panama and the Representative of the United States Government expressed a desire that the tragic events that occurred in Panama last January 9 and 10 be fully investigated,

RESOLVES:

1. To urge both governments to abstain from committing any act that might result in violating the peace in Panama.
2. To establish a general committee composed of all the Representatives on the Council, acting provisionally as Organ of Consultation, with the exception of the Representatives of the parties in conflict.
3. The general committee shall:
 - a. Investigate, fully and at once, the acts that occurred in Panama on January 9 and 10, 1964, and submit a report to the Organ of Consultation on the matter and on the efforts exerted by the governments of the United States and Panama during subsequent days to find a solution to the dispute;
 - b. Propose to the parties procedures intended to ensure that the peace will not be violated while an effort is being made to find a solution to the dispute between them;
 - c. Bearing in mind the causes of the dispute, to assist the parties in their search for a fair solution thereof and to submit a report to the Organ of Consultation on this phase of the subject; and
 - d. Create

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- d. Create the special committees that it deems necessary for the fulfillment of its task.

4. To request the American governments and the Secretary General of the Organization to furnish full cooperation in order to facilitate the work of the general committee."

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☐ CHARGE TO

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ACTION:

ALL ARA DIPLOMATIC POSTS, USUN, POLAD
CINCLANT, POLAD CINCSO, Amcon PANAMA

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COAS by 16 affirmative votes, 1 negative (Chile), Panama

and US not voting, Feb 4 approved following res:

"WHEREAS

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COAS, having taken cognizance of note from Pan Rep Jan 19
by which GOP gives information re situation created between its
country and US and requests Organ of Consultation for purposes indi-
cated in accordance Rio Treaty, and

Having heard explanations made in session Jan 31 and today's
session by Reps Panama and US,

RESOLVES:

1. To convoke Organ of Consultation in accordance provisions
Rio Treaty, which shall meet on date and at site to be determined
subsequently;

2. To constitute itself and to act provisionally as Organ
Consultation in accordance Art 12 said Treaty;

3. To inform

Drafted by ARA:RPA:WPA11en:eh 2/4/64

Telegraphic transmission and
classification approved by:

ARA:RPA:WPA11en

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3. To inform WISC of present resolution."

END

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INDICATE: ☐ COLLECT
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CIRCULAR 1435

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ACTION: ALL ARA DIPLOMATIC POSTS
POLAD CINSICO, POLAD CINCLANT, USUN,
AMCONSUL PANAMA, PARIS FOR USRO, GENEVA

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COAS Debate on Panama

COAS meeting which adopted resolution transmitted

CIRCTEL 1423 opened with Panamanian Rep amplifying previous charges "unprovoked aggression by CZ police and US Armed forces against defenseless population." Moreno said GOP could prove charges in the photos, films, etc. He said pacific effort of school children to fly flag in CZ could not be termed menace to US. He asserted action Panamanian students completely spontaneous and motivated only by "pure" patriotism. He rejected US statement that mobs led by extremists, including persons trained in communist countries, and stated commie movement in Panama weak due to dedication GOP democratic principles, vigilance of people, atmosphere of freedom and equality. Pan Rep repeated request for convocation Organ Consultation (OC). Moreno again asked for indemnification.

ARA/RPA:REGonzalez:ijn 2/5/64
/OAP:LCollins

Telegraphic transmission and
classification approved by:

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US Rep, while regretting Panamanian insistence rehashing old charges instead of both parties dedicating energies to restoration relations and solution of problems, took opportunity make detailed refutation "inaccuracies and distortions" of Pan Rep during last COAS session and reserved right reply in future to additional untrue statements. In connection subsequent debate, US Rep reiterated doubts expressed by other delegations re use Rio Treaty mechanism to obtain revision existing agreements and pointed to possible future implications this precedent. Solution of real issue and even obtaining by Panama of its objectives could not happen through invocation of Rio Treaty.

Amb. Bunker stated in summary that facts will show US force used with greatest restraint and solely within CZ to protect residents; that Panama crisis could serve no conceivable US interests; that US had nothing to gain in causing crisis or seeing it expand and that US interests as well as humanitarian considerations argued for very minimal use of force. However, US could not permit violent mobs, character of which demonstrated by looting and wanton destruction in Panama City and Colon, to

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enter CZ unopposed. (See American Republics, Feb. 4 wireless file item 28 for additional material on US statement.)

Following are highlights some statements by other LA's:

Argentina: Rep made legal discourse citing chapter and verse OAS Charter and Rio Treaty. He called for MFM both under Charter and Treaty for purposes of finding solution to fundamental US-Panama differences and not just investigation events which he said only time consuming.

Colombia: Rep recounted work of IAPC (of which he member). Quoted Jan 15 IAPC communique and statement of IAPC Jan 30 when conversations suspended. Underscored fact Rio Treaty cannot be convoked for purpose seek revision contractual agreement since no basis in American international law for unilateral abrogation or revision of treaty. He announced vote in favor convoking OC and read telegram from his FonMin to Pan counterpart which also contains admonition OC cannot be used to revise existing treaties.

Brazil: In announcing favorable vote, Rep recalled parallel case of Venezuelan charges Cuban aggression in connection discovery arms cache. Underscored fact affirmative vote in no way

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prejudges truth Panamanian charges or substance of problem.

Latter point constituted essence remarks by Reps from Peru, DomRep, Ecuador, Venezuela, Uruguay, Guatemala, all of which announced favorable vote.

Chile: Rep made strong and effective statement taking Panama to task for invoking Rio Treaty. He said treaty is "penal code" of IA system and should be applied restrictively only in cases where aggression or threat to peace is visible, patent, irrefutable. Though situation Jan 9-10 might have justified invocation Rio Treaty, actions of IAPC restored peace. Detailing accomplishments IAPC (on which he also served) in restoring order, which he said accomplished by Jan 13, Chilean Rep noted it very curious question of aggression not raised by Panama during almost continuous subsequent IAPC discussions in Panama and Washington. Those talks referred almost entirely to the early resumption of relations. He quoted Jan 13 IAPC communique and referred to Colombian quotation Jan 15 IAPC communique which he said was inexplicably revoked by Panama. He added that nothing has happened since to warrant invocation Rio Treaty. He concluded summary IAPC work by

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noting Moreno had reported Jan 31 his instructions to withdraw matter from further IAPC consideration and invoke Rio Treaty on charge of aggression.

END

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OUTGOING TELEGRAM Department of State

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INDICATE: ☐ COLLECT
☐ CHARGE TO

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44 CIRCULAR PRIORITY 1412

Origin ACTION: ALL ARA DIPLOMATIC POSTS, CINCSO FOR MARTIN,
ARA POLAD CINCLANT, USUN
Info Amconsul PANAMA

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Re Panama complaint in OAS.

While United States still welcomes full investigation of incidents in Panama January, we now feel, despite para 3 depcirtel 1390 that it would be preferable Rio Treaty not (rpt not) be invoked this purpose provided this would not give Panama an excuse to take the dispute to the U.N.

Reasons for this view are that:

1. GOP in note and draft Res. transmitted Wireless file Feb. 1 ~~XXXXXXXXXXXXXXXXXXXX~~ seeks invoke Treaty not only under broad language art. 6, but specifically cites art. 9a which pinpoints charge as "unprovoked armed attack". Moreover, Pan rep presented case to COAS in exaggerated, intemperate language, spoke of necessity "punishing" US and his speech incorporated by reference in draft Res. Thus, to approve GOP draft Res and invoke treaty carries with it some psychological implication there is some substance or color

Drafted by:

ARA:Wallen/ps 2/1/64

Telegraphic transmission and
classification approved by:

Thomas C. Mann - ARA

Clearances:

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Authority State 1/4/79

By MDE Date 12/4/79

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to Pan charges.

2. As indicated by matters referred to US reps statement, full investigation of incidents and behavior GOP will be highly unfavorable to GOP and can only result put them further in corner. If this done under Rio Treaty, they likely find it even more awkward.

3. As Pan rep made clear, real purpose GOP move is seek force revision canal treaties. His statement to LAPC this effect quoted in US rep's statement. In Council Pan rep stated that US aggression remains latent so long as justice of Pan's demand revision treaties not met. In view large number boundary problems in LA shakily governed by treaties unsatisfactory to one party, seems to us several OARs should be concerned at precedent set by invoking Treaty and using its investigative procedures as pressure device to force revision boundary treaties.

As indicated US rep's statement, we believe investigation could be carried out without invoking Rio Treaty (1) by LAPC itself, (2) by joint US-Panamanian group under chairmanship COAS rep, or (3) By committee of COAS itself (not COAS as Organ Consultation under Treaty). In last case, Council would be seeking provide

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Page 3 of telegram to ALL ARA POSTS - CINCSO

~~CONFIDENTIAL~~

self with all facts and information to enable it decide whether invoke Rio Treaty or not. According IA Juridical Committee opinion 1960, such step entirely within Council's competence,

If appropriate opportunity presents itself you should express foregoing to FONOFF, making clear however, that US will cooperate with investigative body, however it established. Report reactions.

GP-3

END

RUSK

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OUTGOING TELEGRAM Department of State

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CIRCULAR 1405

Origin

ACTION: ALL ARA DIPLOMATIC POSTS, USCINCSO,
POLAD CINCLANT, USUN, Amconsul PANAMA

Jan 31 9 49 PM '64

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COAS held special session Jan 31 to consider Panamanian charge
US aggression and request for convocation Organ Consultation (OC)
pursuant Rio Treaty. Pan Rep, Miguel Moreno, made emotional and
tendentious statement giving false and distorted description dis-
orders Jan 9-10, charging USG responsibility for QUOTE criminal
UNQUOTE aggression.

Among other things Moreno said: Students, parents and CZ
police at Balboa High School attacked Pan students and defiled
flag; US civilians and CZ police fired on crowds gathered as result
insult to flag; US Army troops in battle gear, using machine guns,
tanks, long range and automatic weapons imposed virtual state of
war; US helicopters and aircraft violated air space adding to
confusion; closed "Puente las Americas" and Colon corridor in
violation international agreements; closed Transisthmian Highway
preventing shipment blood plasma and medical help to Atlantic side.

He stressed

Drafted by: ARA:RPA:REGonzalez:eh 1/31/64

Telegraphic transmission and
classification approved by:

ARA:RPA:WPA11en

Clearances:

OAP-Mr. Collins (in draft)

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He stressed that all the Panamanians, students and later crowds wanted was to display Panamanian flag in CZ.

Moreno attacked Zonites who believe themselves racially superior to Panamanians and said USG responsible for situation since could have ordered halt to violence at any time. He noted Panama had always been loyal to US but was betrayed. He told COAS that Panama's case was America's case of weak state without even Army against most powerful state on earth.

Pan Rep then presented draft res which would: (1) convoke OC at time and place to be agreed; (2) constitute COAS provisionally as OC; (3) authorize Chairman appoint committee to investigate facts; (4) ask ^{facilitate} LAs and PAU SYG to assist and ~~facilitate~~ investigating committee's task; (5) inform UN Security Council.

In shorter statement US Rep, Amb Bunker, rejected charges of aggression, affirmed OAS competent deal with problem, reiterated US willingness resume talks on all issues. Full text Bunker remarks on Wireless File ARF 32-33.

Several Dels (DomRep, Mexico, Chile) asked for additional time consult their govts in light Pan draft res and US QUOTE counterproposals UNQUOTE. Chairman convoked special COAS mtg Tuesday, Feb 4, to continue consideration this matter.

END

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Panama 27

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ACTION: ALL ARA DIPLOMATIC POSTS, CINCSO FOR MARTIN, POLAD CINCLANT, USUN
Amconsul PANAMA

Jan 30 1 29 PM '64

Despite last minute efforts Jan 29 of US and Pan Dels and IAPC members, GOP has broken off talks with IAPC, formally requested mtg COAS order invoke Rio Treaty on grounds US aggression and will presumably propose that COAS/OC appoint investigating committee. COAS mtg scheduled P.M. Jan 31.

Following is basic US position:

1. US believes matter should continue be handled within OAS and that UN should not (rpt not) become involved.
2. US would welcome full investigation facts both of tragic events Jan 9 and of US and IAPC efforts since that date. We by US confident facts will show no aggression committed/and that US has sought meet Panama more than halfway in order restore relations and reach agreement all pending issues.
3. As interested party US does not desire take position on advisability or propriety invocation Rio Treaty for purpose investigation facts. If majority members desire invoke Treaty

this

The Secretary

Drafted by ARA:RPA:WPA11en:eh 1/30/64

Telegraphic transmission and classification approved by:

ARA - Mr. Mann

Clearances:

S/S - Mr. Baldwin

ARA - Ambassador Bunker

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Authority *State Hr 4/2/79*

~~CONFIDENTIAL~~

By *MJE* NARC, Date *12/4/79*

FORM DS-322

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this purpose and appoint investigating committee under it, US will of course cooperate fully that committee.

If Rio Treaty mechanism not used we think some other OAS body should undertake necessary investigation. This could be IAPC itself or subcommittee of it, or committee of Council. US would even be willing seek investigation jointly with Panama under chairmanship IAPC Rep or other LA Rep.

4. In any event it important continue maintain peace and order in area and we believe COAS should issue new ~~xxxx~~ special call on both parties avoid violence and use of force. / US for its part remains ready resume relations and talks on basis Jan 15 communique or on basis new draft communique proposed in Committee and contained DEPCIRTEL 1391. or, alternatively to continue work with IAPC in effort find new solution.

FYI Informal soundings among other COAS Reps indicate considerable doubt GOP ability obtain necessary 11 votes invoke Treaty. Since Pan Rep advised IAPC that reason for GOP move is refusal US agree negotiate new treaty, Chilean and certain other Reps feel it would set undesirable precedent seek use Rio Treaty as device force revision international conventions. END FYI.

RUSK

GP -3.

END

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1381

ACTION: ALL ARA DIPLOMATIC POSTS, POLAD CINCSO,
POLAD CINCLANT, USUN, CINCSO FOR MARTIN,
Amconsulate PANAMA

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Re Panama Dispute

Five days of IAPC talks with US and Pan Reps so far failed
produce any agreement. Following are highlights:

At Jan 23 meeting Pan Rep stated GOP regards previously
agreed Jan 15 communique as invalid. US Rep stated we still pre-
pared accept as valid. Chilean Rep proposed new communique.
Text transmitted DEPTTEL CINCSO FOR MARTIN, AmConsulate PANAMA 367,
repeated other addressees DEPCIRTEL 1382.

Jan 24 US in principle agreed Chilean text. Panama declined
and presented revised text, ~~third~~ paragraph of which stated QUOTE
purpose of meetings of Special Ambassadors will be enter in good
faith without delay new treaties re Canal which substitute
existing ones UNQUOTE.

Jan 25 US stated Panama revision constitutes effort establish
undesirable preconditions and proposed following modification:

QUOTE Purpose of meetings of Special Ambassadors will be achieve
in good faith and without delay concrete solutions of problems

Drafted by:

ARA:RPA:WPA11eh:eh 1/29/64

Telegraphic transmission and

classification approved by:

ARA - Mr. Mann

Clearances:

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Authority

State 112 4/2/79

By

WDE, NAEE, Date 12/4/79

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dividing their countries. UNQUOTE.

Jan 26 Panama rejected foregoing and presented further revision stating that parties would designate QUOTE Special Ambassadors with sufficient powers discuss and negotiate for purpose resolving without limitation problems affecting relations two countries by means of full and frank review and reconsideration all treaties re Canal for purpose concluding new instrument UNQUOTE. US proposed as alternative to state that the purpose would be QUOTE full and frank review and reconsideration all issues between two countries including those deriving from existing Canal and treaties and agreements relating thereto. UNQUOTE

Jan 27 ~~Committee~~ ^{parties} Committee proposed/accept above draft plus inclusion in minutes of US affirmative answer to question whether language gives each side right request revision existing treaties and obligates other side consider such request.

Jan 28 Panama rejected this proposal and insisted that US commitment ~~that~~ purpose of negotiations would be to revise treaties must be clearly ~~st~~ stated in communique.

Dept understands Pan Rep now instructed break off IAPC talks and seek immediate meeting COAS in order invoke Rio Treaty on ground US aggression and have COAS/OC appoint Committee investigate responsibility

for

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Page 3 of telegram to CIRCULAR TO ALL ARA DIPLOMATIC POSTS, POLAD CINCSO,
POLAD CINCLANT, USUN

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for events Jan 9-10. We also understand GOP actively seeking support
OARs this course, both through canvass UN LA Reps New York and directly
in capitals.

Aware of this, IAPC Chairman at end Jan 28 meeting read statements
to both parties recounting efforts made, reiterating IAPC intends con-
tinue efforts until one side adopts ^{another} ~~xxxx~~/procedure. US welcomed state-
ment and assured IAPC US will not (ppt not) invoke another procedure.
Pan Rep reaction equivocal.

GP-3.

END

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DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

0159
2
Bundy

February 28, 1964

TO: Mr. McGeorge Bundy
The White House

FROM: Benjamin H. Read
Executive Secretary

3/29

The enclosed uncleared
draft is for discussion at
the White House meeting,
February 29, at noon.

Enclosure:

As stated.

File

Panama

12. Author:

As you know, the basic purpose of both S. 2427 and S. 2428 is almost identical, as is the basic purpose of H.R. 80, introduced over a year ago by Congressman Conner. All three of these bills would authorize investigation and studies of a sea-level inter-oceanic canal across the American isthmus as a successor to the present canal canal.

The support has appeared in these bills. After in this statement we would like to outline certain legislative features which we believe can be included in the bill, such studies should concern. First, we think it would be

to present our views on the desirability of enactment of legislation on this subject in an early date.

As the Committee is well aware, studies of alternate canal proposals have been conducted from time to time over the past twenty years by various groups, including the House Committee under the Chairmanship of Congressman Sommer. Moreover, the Executive Branch, within the limits of its regular resources, has been studying the need for, method of construction, location, and cost of a sea-level canal. Under Presidents Eisenhower, Kennedy, and Johnson, investigation of this matter has been conducted by the Panama Canal Company, the Corps of Engineers, the Atomic Energy Commission, and other agencies, including the Department of State. H.R. 90 was introduced in January 1963 by Congressman Sommer and supported by the Executive Branch in order to provide the funds for detailed technical site surveys as a necessary part of this investigation.

A combination of economic, political, and strategic considerations ~~now~~ makes it highly desirable to proceed with necessary studies on an accelerated and broader basis. Our evaluations to date strongly indicate that the United States should proceed expeditiously in the matter and eventually

construction of a sea-level canal is desirable and in our national interest.

In stating this we do not wish to derogate the vital importance of the Panama Canal to the United States and to international commerce.

However, we should point out the vulnerability of the existing Canal to lengthy interruption of service through sabotage or accident, an event which would be prejudicial to our strategic and military interests and to international commerce.

In addition, the ever-increasing demands on the existing canal indicate that in about 25 years it will be reaching the limit of its potential capacity and there will be substantial delays and inconvenience to shipping. Even today, 24 U. S. naval vessels and 50 commercial ships cannot pass through the canal, and an additional 50 commercial vessels cannot go through fully laden.

Finally, the current difficulties between the United States and Panama over the present Canal and Canal Zone suggest to us the desirability of advancing the timetable for consideration of and final decision on an alternate sea-level canal. Once such a decision is reached, the difficulties should

become manageable, and the possibility would exist of resolving those difficulties in a manner that would satisfy the aspirations of Panama and the interests of the United States. ~~Moreover~~, most of these issues over the present Canal would not be likely to arise with respect to a sea-level canal. A sea-level would not present, as does the present Canal, major security problems or the need for a large personnel complement to operate and administer it. Therefore, the nature of an agreement with the country through which a sea-level canal would pass could and undoubtedly would be very different from the existing treaties with Panama and would represent a modern arrangement, satisfactory to both countries, which would safely guarantee inter-oceanic passage to international commerce for the indefinite future.

* * * * *

In connection with the current difficulties between the United States and Panama, we think it appropriate to state at this point that the key issue is the insistence by the Government of Panama that as a condition for resumption of relations and prior to discussion of the Canal, the United States agree to revise the 1903 Canal Treaty. We are

not able to accede to that request, because to do so might cast a cloud on the validity of these treaties and because we are unwilling to agree to a step of such far-reaching implications before having an opportunity to explore the matter in detail at the conference table.

* * * * *

In sum, ~~and holding the belief that a sea-level canal is desirable~~, it is our opinion that the United States should immediately embark on a course of action designed to enable the Government to reach a final decision on a series of vital questions: whether such a canal is feasible, where and when it should be built, by what means, and under what arrangements.

We appreciate the interest shown in this matter as evidenced by the introduction and consideration of these bills. What is important is that these studies be undertaken on the earliest possible date. We believe that legislation authorizing the studies should contain certain specific provisions. We recommend that the legislation:

- authorize the President to have necessary sea-level studies made. The studies should have the

flexibility to use not only the existing resources of the Panama Canal Company, the Departments of Defense, Army, State, and Commerce, and the Atomic Energy Commission, but also resources outside the Government as necessary.

- provide that upon completion of the studies, the President submit his findings, conclusions, and recommendations to the Congress.

The course of action which we have proposed will be extremely complex and will take a number of years to complete. Because of the long lead-time that will be required for a sea-level canal project, and because technical, political, and other decisions will have to be made step-by-step over this period of time, we believe it essential to proceed as soon as possible with the basic surveys and studies that would be authorized by legislation.

Mr. Chairman, this concludes our statement. We would be glad to reply to any questions you or your colleagues may have.

2/28/64

Panama

Rec'd 2/3/68 ⁶

Costa Rican Proposal *

"The parties agree to appoint ^{representatives} ~~negotiators~~ with sufficient powers to discuss and ~~re~~consider all aspects of US and Panama relations, ~~(including the Canal (Zone) Treaties)~~ with a view to harmonize the just interests of both parties, seek the prompt elimination of the causes of dispute, and fulfill their responsibilities to the Hemisphere and world trade.

"Both parties agree to discuss the differences existing between them without preconditions as to the positions they may consider necessary to adopt as a final result of the meetings that will take place between the ~~negotiators~~." ^{representatives.}

* ~~(Source telephoned to Secretary by Ambassador Stevenson who noted that Costa Ricans had reported that Panamanians wish to add a new line to the above.)~~

INCOMING MESSAGE

THE JOINT CHIEFS OF STAFF

8
~~TOP SECRET~~

PRECEDENCE (ACTION)

PRECEDENCE (INFO)

ROUTINE

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FM CINCLANT

TO RUECW/JCS

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~~TOP SECRET~~

CUBAN ARMS TRAFFIC IN THE CARIBBEAN (U)

A. JCS MSG 4914 DTG 18145Z

B. CINCLANT OPLAN 150-64

1. IN ACCORDANCE WITH REF A CINCLANT OPLAN 150-64 (CARIBBEAN SURVEILLANCE PLAN), REF B, MAILED THIS DATE.

2. FONECON DEPUTY CHIEF OF STAFF USCINCSO INDICATES USCINCSO PREPARING PLANS FOR OPERATIONS IN SUPPORT OF REF B.

GP-4

BT

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Authority E.O. 11652 SEC. 5(A) and (D)

By MT, NARS, Date 12/4/79

ACT.....J3-7 (1-7)

CJCS-2 (8-9) DJS-3 (11-12) SJCS-3 (13-15) J4-2 (16-17)
J5-1 (18) SACSA-1 (19) DIA/CIIC-1 (20) NMCC-2 (21-22)
CSA-2 (23-24) CSAF-2 (25-26) CNO-2 (27-28) CMC-8 (29-36)
OSD-15 (37-51) WHITE HOUSE-3 (52-54) RRA-1 (55) FILE-1 (56)
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DUTY OFFICER

PAGE OF PAGES

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Department of State

Panama 11

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CINCSO FOR POLAD

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RETELCON BETWEEN SEC. RUSK AND MARTIN LOCAL NEWSPAPER
REACTION AMBASSADOR BUNKER'S SPEECH BEFORE OAS.

OSD

ARMY

NAVY

AIR

RMR

1. IN ADDITION PRESS SUMMARY CONTAINED CONTEL 398
ARTICLE IN STAR AND HERALD, WRITTEN LOCALLY, STATED: "WHEN
BUNKER TOLD OAS COUNCIL US PREPARED FOR RECONSIDERATION OF ALL
US-PANAMA ISSUES INCLUDING THOSE ARISING FROM THE CANAL AND
TREATIES RELATING TO IT", IT WAS FIRST TIME US HAD SPELLED OUT
THE WORD 'TREATIES' IN THE 21-DAY OLD DISPUTE". THIS APPEARS
REASON FOR SUBHEADLINE (PREVIOUSLY REPORTED): "BUNKER SAYS US
REJDY TO REVISE TREATIES". THIS ALSO PLAYED UP IN LA ESTRELLA
EDITORIAL AS REPORTED CONTEL 398.

2. STAR AND HERALD TODAY HAS HEADLINES: "SEEK RP-US AGREEMENT
BEFORE TUESDAY", WITH FRONT-PAGE ARTICLE HEADLINED "CHILE COMES
OUT AGAINST PANAMA STAND", FOLLOWED BY SMALLER TYPE HEADLINE
READING "SPEECH BY US ENVOY TO OAS IS BASIS FOR REPORTS OF NEW
APPROACH". THIS ARTICLE STATES, "REPORTS FROM PANAMANIAN
SOURCES IN WASHINGTON PICTURED LATIN AMERICAN DIPLOMATS AS
TRYING TO GET THE US TO MEET PANAMA'S DEMAND FOR PLEDGE FOR
RENEGOTIATION OF 1903 PANAMA CANAL TREATY. ASSOCIATED PRESS
REPORTED SITUATION OTHER WAY AROUND: "THE PANAMA CANAL CRISIS
MIGHT EVAPORATE," IT SAID FROM WASHINGTON, "IF PANAMA ACCEPTS A
US PLEDGE TO RECONSIDER ALL US-PANAMANIAN ISSUES INCLUDING THOSE
ARISING FROM THE CANAL AND FROM THE TREATIES RELATING TO IT".

3. PERTINENT PARTS TODAY'S EDITORIAL IN LA ESTRELLA FOLLOW:
NECESSARY PRECISION. PRIME OBJECT OUR PRESENT POLICY TOWARD US
SHOULD CONCENTRATE ON OBTAINING COMPLETE ABROGATION OF EXISTING
TREATIES WITH THAT NATION, FOLLOWED BY NEW TREATY IN KEEPING WITH
PRESENT-DAY REALITIES AND GRANTING US RIGHTS WHICH BELONG TO US.

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-2-, 400, FEBRUARY 2, FROM PANAMA

DECISION OF COAS TO DELAY VOTING UNTIL TUESDAY MAY HAVE AS OBJECTIVE TO GIVE REPRESENTATIVES OF PANAMA AND US A FEW DAYS TO CARRY ON CONVERSATIONS OUTSIDE COAS IN ATTEMPT EXPLORE NEW POSSIBILITIES FOR AGREEMENT SINCE, IT SEEMS, AMBASSADOR BUNKER STATED HIS GOVT. IS DISPOSED TO REVISE EXISTING TREATIES IN ORDER SOLVE PRESENT PROBLEMS AND ELIMINATE CAUSES OF TENSION.

IF TRULY US IS DISPOSED TO NEGOTIATE WITH PANAMA A NEW TREATY, IT SHOULD SAY SO WITH DUE CLARITY, ABANDONING ONCE AND FOR ALL VAGUE EXPRESSIONS AND PHRASES WITH CONFUSED MEANING AND DOUBTFUL INTERPRETATION, IN ORDER AVOID NEW DELAYS IN FINDING NECESSARY SOLUTIONS. IF US HAS TRULY CHANGED ITS POSITION REGARDING THE PROBLEM, AND RECOGNIZED THE FOUNDATION AND JUSTICE OF OUR DEMANDS, OR IF US HAS SOME NEW PROPOSITION WHICH INCLUDES CATEGORICALLY A FORMAL OFFER TO BEGIN NEGOTIATIONS TO DRAW UP NEW TREATY, THERE IS NO REASON WHY PANAMA SHOULD NOT LISTEN TO WHAT NORTH AMERICAN GOVT. HAS TO SAY, IN ORDER MAKE REPLY BEFORE COAS RECONVENES TUESDAY TO VOTE ON PANAMA'S DEMAND. HOWEVER, IT IS ABSOLUTELY NECESSARY THAT THIS NEW POSITION OF US, OR CHANGE IN ATTITUDE, IF IT REALLY EXISTS, MUST BE EXPRESSED CLEARLY, SO THAT LATER THERE WILL BE NO PROBLEMS OF INTERPRETATION.

REGARDING MISGIVINGS WHICH ARE EXPRESSED IN SOME OF MR. BUNKER'S WORDS, IN SENSE THAT US COULD NOT BE COMMITTED ON BASIS OF "PREVIOUS CONDITIONS", IT IS IMPOSSIBLE TO GUESS TRUE MEANING OF SUCH SUBTLE WORDS. IF "PREVIOUS CONDITIONS" REFERS TO TERMS WHICH WILL EVENTUALLY BE CONTAINED IN NEW TREATY, SINCE NOBODY KNOWS WHAT THE TERMS WILL BE, IT IS OBVIOUS THAT IT IS UNNECESSARY TO REFER TO SOMETHING UNKNOWN AND WHICH PANAMA HAS NOT REQUESTED, EXCEPT FOR BASIC AND FUNDAMENTAL REQUIREMENT THAT ABSURD AND UNTENABLE "IN PERPETUITY" CLAUSE MUST BE ELIMINATED. CONSEQUENTLY, IF US IS DISPOSED TO OFFER FORMULA WHICH PANAMA CAN ACCEPT, IT SHOULD BE PRESENTED WITH THE NECESSARY PRECISION, AND US SHOULD ABANDON ALL ATTEMPTS TO MAKE OTHER SUGGESTIONS WHICH DO NOT CLEARLY IMPLY DUE ACCEPTANCE OF CONDITIONS LAID DOWN BY PANAMA.

4. OTHER LOCAL PAPERS CARRIED SUMMARIES OF AP/UP RELEASES ON FRONT PAGE.

5. STAR AND HERALD AND LA ESTRELLA (OWNED BY DUQUE FAMILY) HAVE HIGHLIGHTED BUNKER'S REMARKS TO OAS AS SOMETHING NEW IN US APPROACH. WILL ENDEAVOR ASCERTAIN WHETHER THIS PRESENTATION HAVING FAVORABLE IMPACT ON GOP AS NEW APPROACH.

TAYLOR

BT

CFN 4 5 NOTE: ADVANCE COPY TO S/S-O, 2/2/64, 7:30PM
PASSED WHITE HOUSE 2/2/64, 7:55 PM

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INCOMING TELEGRAM *Department of State*

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INFO RUESGT/AMEMBASSY GUATEMALA

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RUESMG/AMEMBASSY MANAGUA

CAP

RUESJO/AMEMBASSY SAN JOSE

EUR

RUESTE/AMEMBASSY TEGUCIGALPA

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RUCKHC/CINCLANT

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CIA

UNCIAS ACTION DEPT PRIORITY 355 INFO GUATEMALA ROUTINE 118

NSA

MANAGUA 100 SAN JOSE 92 TEGUCIGALPA 114 POLAD/CINCSO UNN

OSD

POLAD/CINCLANT UNN FROM SAN SALVADOR JANUARY 31 8:00 PM

ARMY

FOLLOWING IS TEXT PRESS COMMUNIQUE MEETING CA FONMINS:

NAVY

PRESS COMMUNIQUE OF THE INFORMAL MEETING OF MINISTERS OF

AIR

FOREIGN AFFAIRS OF CENTRAL AMERICA.

RMR

AT THE INVITATION OF THE GOVERNMENT OF EL SALVADOR, THE MINISTERS OF FOREIGN AFFAIRS OF GUATEMALA, EL SALVADOR, HONDURAS, AND NICARAGUA, AND THE AMBASSADORS OF COSTA RICA AND PANAMA, REPRESENTING THEIR RESPECTIVE MINISTERS OF FOREIGN AFFAIRS, MET AT SAN SALVADOR ON JANUARY 30 AND 31, 1964, FOR AN INFORMAL EXCHANGE OF VIEWS ON THE MEASURES DEEMED NECESSARY IN CONNECTION WITH THE FUTURE OPERATION OF ODECA, SINCE THE FOUR-YEAR TERM FOR WHICH THE PRESENT SECRETARY WAS ELECTED, GENERAL OF THE ORGANIZATION, MR. MARCO TULIO ZELEDÓN, /IS ABOUT TO EXPIRE.

DURING THE TALKS, WHICH WERE CONDUCTED IN AN ATMOSPHERE OF UTMOST CORDIALITY, THE CENTRAL AMERICAN MINISTERS OF FOREIGN AFFAIRS AGREED

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-2- 355, JANUARY 31, 8 PM. FROM: SAN SALVADOR.
ON THE FOLLOWING POINTS:

1. WHEN THE PERIOD FOR WHICH THE PRESENT SECRETARY GENERAL OF ODECA EXPIRES ON FEBRUARY 15, THE FUNCTIONS OF THE ASSISTANT SECRETARY GENERAL WILL ALSO TERMINATE, AND THEREFORE AN ACTING SECRETARY GENERAL SHOULD BE APPOINTED TO TAKE CHARGE OF THIS ORGANIZATION UNTIL ANOTHER SECRETARY CAN BE ELECTED.

IN APPOINTING THIS OFFICIAL, CONSIDERATION SHOULD BE GIVEN NOT ONLY TO THE REQUIREMENTS STIPULATED IN THE CHARTER, BUT ALSO TO WHETHER THE PERSON IS FAMILIAR WITH ODECA AFFAIRS IN ORDER TO GUARANTEE THE BEST POSSIBLE OPERATION OF THAT ORGANIZATION, AND AN EFFORT SHOULD BE MADE TO SEE THAT HE IS A PERSON FROM ONE OF THE COUNTRIES THAT HAVE NOT HAD CHARGE OF THE GENERAL SECRETARIAT OF ODECA.

2. THE FOREIGN MINISTERS, OR THEIR SPECIAL REPRESENTATIVES, WILL RECEIVE AND APPROVE THE DETAILED REPORT THAT THE SECRETARY GENERAL WILL SUBMIT AS HE TURNS OVER HIS OFFICE TO THE ACTING SECRETARY DESIGNATED.

3. THEY ALSO AGREED TO EXPRESS TO THE GOVERNMENT OF THE REPUBLIC OF COSTA RICA THEIR DESIRE THAT THE NEW ODECA CHARTER MIGHT BE RATIFIED BY THAT COUNTRY, IN ORDER TO PROCEED AS SOON AS POSSIBLE WITH THE DEFINITIVE REORGANIZATION.

4. WITH RESPECT TO THE PROPOSED BASES FOR THE CENTRAL AMERICAN COMMUNITY, SUBMITTED BY THE MINISTRY OF FOREIGN AFFAIRS OF GUATEMALA, THEY AGREED THAT THE PROPOSAL SHOULD BE STUDIED BY A SPECIAL COMMITTEE, WHICH WILL REPORT ITS CONCLUSIONS AT THE NEXT MEETING OF MINISTERS OF FOREIGN AFFAIRS.

5. ON THE PROBLEM OF BELIZE, IN ACCORDANCE WITH THE STATEMENTS

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(OFFICIAL TRANSLATION)

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-3- 355, JANUARY 31, 8 PM. FROM: SAN SALVADOR.
OF ANTIGUA GUATEMALA AND PANAMA, THEY REAFFIRMED THEIR REPUDIATION
OF THE SURVIVAL OF COLONIALISM IN THE AMERICAS AND THEIR SUPPORT OF
THE REPUBLIC OF GUATEMALA IN ITS JUST CLAIMS TO THAT TERRITORY,
WHICH IS AN INTEGRAL PART OF CENTRAL AMERICA.

6. DURING THE DELIBERATIONS, THEY HEARD WITH DEEP CONCERN
THE NEWS OF THE FAILURE OF THE EFFORTS THAT ARE BEING MADE TO OBTAIN
A FORMULA TO SETTLE THE DIFFERENCES EXISTING BETWEEN PANAMA AND THE
UNITED STATES, AND IT WAS AGREED THAT ANOTHER EFFORT AT CONCILIATION
SHOULD BE MADE; TO THAT END, THEY CONSIDERED THE POSSIBILITY OF
OFFERING THE GOOD OFFICES OF THE CENTRAL AMERICAN GOVERNMENTS TO FIND
A SOLUTION THAT WOULD BE SATISFACTORY TO BOTH PARTIES, IN ACCORDANCE
WITH THE PRINCIPLES OF HARMONY AND CONTINENTAL SOLIDARITY.

7. THE MINISTERS OF FOREIGN AFFAIRS OF GUATEMALA, HONDURAS, AND
NICARAGUA, AND THE REPRESENTATIVES OF THE MINISTERS OF FOREIGN AFFAIRS
OF COSTA RICA AND PANAMA EXPRESS THEIR PROFOUND THANKS TO THE
GOVERNMENT OF EL SALVADOR FOR ITS CORDIAL HOSPITALITY.

SAN SALVADOR, JANUARY 31, 1964.

WILLIAMS

NOTE: FOREIGN LANGUAGE TEXT RECEIVED JANUARY 31.
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USIA, INR, RMR. OFFICIAL TRANSLATION GIVEN NORMAL
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INCOMING TELEGRAM *Department of State*

58-52

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Action

Control: 23751

Rec'd: January 31, 1964

3:54 PM

BUNDY-SMITH
ALEXANDER
BELK
BRUBECK
CHASE
DINGEMAN
DUNCAN
FORRESTAL
JESSUP
JOHNSON
KLEIN
KOMER
SALINGER
SAUNDERS
SCHLESINGER
SMITH, WM. Y

ARA

FROM: USSOUTHCOM

Info

SS

ACTION: Secstate 311860Z

G

SP

INFO: USIA Unnumbered
Panama City Unnumbered

L

H

CAP

DATE: 311860Z January

IO

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FROM DAVIS USIS.

INR

SCA

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RMR

1. Following is a summary of the morning newspapers January 31.

2. LA ESTRELLA headlines the AP dispatch by Ary Moleon reporting Panama's call for an emergency meeting of OAS Foreign Ministers to consider the charge of U.S. aggression against Panama. Four countries, Venezuela, Colombia, Brazil, and Uruguay, have already supported this move. The U.S. State Department will not object to an investigation by the OAS.

3. Marco Nobles, government candidate, declares that his slate will go all the way to election.

4. The editorial states that Panama has lost time in the fruitless negotiations of the OAS Peace Committee, but has gained in international prestige. For the first time, Panama will be able to present the whole story of its relations with the U.S. before the Council of the OAS. The U.S. will find it extremely difficult to square this account with its announced policy of "good neighbor" and "fair treatment".

5. The front page of CRITICA carries a much enlarged photograph of the misshapen bullet "which killed Rose Elena,"

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-2- 311860Z, January, From: USSOUTHCOM

the thirteen-year-old girl who died during the disturbance. The shot "is supposed to have come from the Tivoli Hotel sector". Columnist Theima King absolves both Panamanian and Zonian youths, and blames those truly responsible -- Governor Fleming and Panamanian authorities who supinely accepted the flying of the Panamanian flag alongside the U.S. one in the Canal Zone. She demands the Governor's removal. Another columnist criticizes Bishop Clavel for failing to denounce U.S. aggression and to call on Catholics world wide to do likewise and to support Panama's demand for justice.

6. EL DA features the march on the Presidential Palace and adherence to the government's position by more than three thousand school teachers, following a meeting called and addressed by Education Minister Solis Palme.

7. The Minister of Finance denies rumors that the government is considering restrictions on bank deposits.

CC-11

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